

and emphasizing that those of us upon this side of the aisle have an important meeting as we think, at 8 o'clock.

Mr. LUCAS. I do not think it will be nearly so important as passing the pending joint resolution. I do not know what the meeting is, of course.

Mr. WHITE. Mr. President, I have never seen such a case of jitters as are now so prevalent on the other side of the aisle. In all my experience, which goes back a number of years, I have never seen a party so much disturbed, so far ahead of a general election, over the possible consequences of it. I am now going to move that the Senate recess—

Mr. MAGNUSON. Mr. President, will the Senator from Maine yield?

Mr. WHITE. I yield.

Mr. MAGNUSON. Because of the fact that the pending amendment is my amendment, I was hoping we could get a vote on it tonight, unless there is to be more discussion. I do not know of any other Senator who desires to speak, and I should like to have a vote on the amendment.

Mr. WHITE. I have understood quite differently as to those desiring to speak.

Mr. MAGNUSON. I did not know of any.

RECESS TO WEDNESDAY

Mr. WHITE. I now insist upon my motion that the Senate recess until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 6 o'clock and 8 minutes p. m.) the Senate took a recess until Wednesday, March 12, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 10 (legislative day of February 19), 1947:

DEPARTMENT OF STATE

John E. Peurifoy, of South Carolina, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

James E. McKenna, of Massachusetts, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

UNITED STATES ATTORNEY

Hon. Drake Watson, of Missouri, to be United States attorney for the eastern district of Missouri, vice Hon. Harry C. Blanton, term expired.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotions in the Regular Corps of the Public Health Service:

SENIOR ASSISTANT SURGEON TO BE TEMPORARY SURGEON

Paul V. Joliet

ASSISTANT SURGEONS TO BE TEMPORARY SENIOR ASSISTANT SURGEONS

Leo J. Gehrig

Arthur E. Rikli

Warren W. Kreft

Robert Leslie Smith

Eric P. Lofgren

SENIOR ASSISTANT DENTAL SURGEONS TO BE TEMPORARY DENTAL SURGEONS

Eugene H. Hess

Maurice S. Rodgers

SENIOR ASSISTANT SANITARY ENGINEER TO BE TEMPORARY SANITARY ENGINEER

Chris A. Hansen

ASSISTANT NURSE OFFICER TO BE TEMPORARY SENIOR ASSISTANT NURSE OFFICER

Hazel E. Owen

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 10, 1947

The House met at 12 o'clock noon.

Rev. Lawrence P. Gatti, assistant pastor, St. Stephen's Roman Catholic Church, Washington, D. C., offered the following prayer:

O Heavenly Father, Almighty God, in whom the founding fathers of our country have directed that we should put all our trust, deign in Thy loving goodness to give guidance and protection to the Members of our Congress. Impart to each of them the wisdom of Thy ways.

May they, by Thy inspiration, have an ever-constant sense of their responsibility as servants of the people by whom they have been elected to office, and from whom they receive sustenance to work for the public welfare. Grant that the awareness of their civic trust may be deepened in their souls to the end that their statesmanship may redound to the credit of this Nation and benefit all our fellow citizens.

We pray, in particular, that Thy guiding light may shine forth upon today's deliberations that they may be useful toward the advancement of all interests that will produce internal peace and prosperity and make our country great among the peoples of the earth.

These blessings we ask of Thee, O Eternal Father, through Thy well-beloved Son, the blessed Christ. Amen.

The Journal of the proceedings of Thursday, March 6, 1947, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 7, 1947, the President approved and signed a joint resolution of the House of the following title:

H. J. Res. 122. Joint resolution to authorize the United States Maritime Commission to make provision for certain ocean transportation service to and from Alaska until July 1, 1948, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 28. Concurrent resolution providing for a joint session of the Congress on March 12, 1947.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1030) entitled "An act to continue in effect certain war-excise tax rates, and for other purposes."

URGENT DEFICIENCY APPROPRIATION BILL, 1947

Mr. TABER submitted a conference report and statement on the bill (H. R. 1968) making appropriations to supply

urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

JOINT SESSION OF THE TWO HOUSES OF CONGRESS

Mr. HALLECK. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 28) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, March 12, 1947, at 1 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. Mason addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very fine and timely editorial from the Detroit Free Press of yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

FREDERICK OSBORN

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, the Washington Daily News of March 7, 1947, page 20, carries the report that Frederick Osborn, wartime chief of the Army's morale program, has been named as deputy United States representative on the United Nations Atomic and Disarmament Commission. This is the same man who headed the Army orientation courses under which tracts were issued to our armed forces justifying Soviet aggression against Finland, Poland, and China, validating the Stalin-Hitler Pact, praising the Soviet Union as a democracy, and denouncing our own system of private enterprise. Literature distributed to troops under Army orientation auspices included works by Maxwell S. Stewart, Owen Lattimore, and other well-known followers of the Communist Party line.

Orientation Fact Sheet No. 53 described the Soviet Union as having ultimate political ideals "directed opposite

to the stated ideals of Fascist dictatorship, and their hope is to drop the appurtenances of dictatorship in the process of democratic evolution." We have only to witness what is happening in Poland, Hungary, and Yugoslavia under Soviet domination to see how misleading this is.

Owen Lattimore's book, *The Making of Modern China*, a part of the Army course library, calls the open-door policy "a further development of the permanent policy of hitch-hiking imperialism in a preference to active imperialism."

From this appointment and the proposed appointment of David Lilienthal, Herbert Marks, and others, it is clear that the administration is working hand-in-glove with those who make it a profession to be hoodwinked by the Communists, with those who are willing to go to any length to appease the Soviet dictator. I, for one, cannot let this appointment pass by without raising my voice in strenuous protest against it.

NEWSPRINT INVESTIGATION

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 59) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted by the select committee created by House Resolution 58, not to exceed \$25,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 126) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 111, Eightieth Congress, incurred by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed \$40,000, including expenditures for printing and binding, employment of such experts, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SELECT COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM IN ITS RELATION TO SMALL BUSINESS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House

Administration, I submit a privileged resolution (H. Res. 129) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there is authorized to be paid out of the contingent fund of the House a sum not to exceed \$2,706.07 on vouchers signed by the former chairman of the committee under authority of House Resolution 294 of the Seventy-seventh Congress, continued by House Resolution 17 of the Seventy-eighth Congress and House Resolution 64 of the Seventy-ninth Congress, and approved by the Committee on House Administration in order to pay outstanding debts incurred by the Select Committee Investigating the National Defense Program in its relation to small business in the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ARNOLD (at the request of Mr. SMITH of Wisconsin) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Thursday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address over the National Broadcasting Co. by Senator SALTONSTALL and myself on March 1.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

THE LATE CARRIE CHAPMAN CATT

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks for 1 minute, revise and extend my remarks, and include two newspaper articles.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, today's news brings us word that yesterday a woman passed away who has done perhaps as much as any person to bring about recognition not only of women's rights but of her very grave responsibilities. For 38 years Carrie Chapman Catt fought against intolerance, inertia, and tradition, and the one-track mind. She was very much interested in bringing about a broader aspect of the idea that "a woman's place is in the home." I think she would agree with me that woman's place is in the home—yes, by all means—but now when a new era is being born that home has responsibilities of influence that reach around the world.

We deeply regret that she could not have lived longer with us, but we are grateful for the contribution she has made.

EXTENSION OF REMARKS

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial.

AID TO GREECE AND TURKEY

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, from observations made and information received by visiting the countries in Europe, the Balkans, and the Middle East, I have been forced to the inescapable conclusion that there are two basic principles in the foreign policy of the Soviet Union. The first principle is expansion—during the war Russia added approximately 265,000 square miles of territory and 22,690,000 people to her already extensive domain. The second principle is the spreading of communism whenever and wherever possible. Even in the morning press, former Under Secretary of State Sumner Welles declares that the Communists are "attempting to destroy the inter-American system as it has been established."

Turkey and Greece, in the Mediterranean area, are the outposts against the march of communism to the west. These countries are in need. The issue is clearly drawn. The United States should extend aid to both Greece and Turkey or they, as many other countries have been, will be dominated by the Soviet Union. We must do this not for the purpose of underwriting the British Empire but for the purpose of preventing the spread of communism. By giving aid to Greece and Turkey we will help guarantee the security of the United States.

Greek Communists, trained in Yugoslavia and other Balkan states, take their orders from Moscow. If we do not assist Greece they will seize control of the nation. If this is allowed to happen, Soviet influence will rise rapidly in Turkey and in the Middle East.

There must be no diplomatic appeasement. This is an opportunity for us to exercise leadership. We have the ability, the prestige, and the power to halt the march of communism toward the west. We must act with determination. Let us keep constantly in mind that it will be far less expensive to act now than sometime in the future.

EXTENSION OF REMARKS

Mr. HOLMES asked and was given permission to extend his remarks in the RECORD and include a speech by Goodrich W. Lineweaver, of the Bureau of Reclamation.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a newspaper article pointing out that the propaganda sheet *In Fact*, published by one George Seldes, is a camouflaged Communist sheet.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter and in the other an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include an article from the Sunday Times, entitled "Children Who Have Known No Childhood."

Mr. MILLER of Connecticut asked and was given permission to extend his remarks in the RECORD on two subjects, and in one to include a letter from a constituent.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances, and include letters and tables.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD.

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Thursday next, after the conclusion of the legislative business of the day and any other special orders that may have been entered, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. POULSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. Poulson addressed the House. His remarks appear in the Appendix.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article by Joseph Alsop in the Washington Post of March 9.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

JOHN L. LEWIS

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, the decision of the Supreme Court in the Lewis

contempt case serves notice to the country and to the world that no man is bigger than the United States Government, and that no man is bigger than the President of the United States. President Truman's dealings with John L. Lewis show that he has the general public welfare at heart, and that he will not submit to being shoved around, kicked around, bullied, or browbeaten by any man who ignores the well-being of the general public and holds the President and the United States Government in contempt in order to further his own selfish ambitions. The people of this country are fast awakening to the realization that in Harry Truman we have a great man and a great President, who has the courage of his convictions and who will fight to his last breath for what he believes to be right and to the best interests of his people. As MacArthur returned to the Philippines in forty-four, so will Harry Truman return to the White House in forty-eight.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. JOHNSON of Oklahoma asked and was given permission to extend his remarks in the RECORD and include a memorial from the Oklahoma Senate.

Mr. SADOWSKI asked and was given permission to extend his remarks in two separate instances and to include therein excerpts.

Mr. DAVIS of Tennessee asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech delivered by the president of the National Congress of Parents and Teachers.

Mr. HEBERT asked and was given permission to extend his remarks in the RECORD in two separate instances, in one to include an article from the Times-Herald by Mr. James Walter and in the other to include some radio remarks by Mr. Lou Brodt.

Mr. KEFAUVER asked and was given permission to extend his remarks in two separate instances and to include an editorial and some excerpts.

PERMISSION TO ADDRESS THE HOUSE

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[Mr. KEFAUVER addressed the House. His remarks appear in the Appendix.]

THE COPPER SITUATION

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, the latter part of this week the House will have before it for consideration a measure introduced by the gentleman from Connecticut [Mr. PATTERSON]. It is H. R. 1626. This measure proposes amend-

ment of the United States Code in order to facilitate the importation of copper at the present time.

This measure is emergency legislation and because the Members of the House have been tied up pretty much in their committee work it may be that all will not be thoroughly familiar with the urgent need for immediate passage of this measure. I sincerely hope my colleagues will take a few minutes during the next day or two to familiarize themselves with this measure—and what it proposes to do—so that there will be unanimous approval of H. R. 1626 when the House is asked to act.

Many factories and shops are faced with suspension of operations because of the very serious shortage of copper. Many branches of the copper industry will have to curtail operations drastically because there is not sufficient copper available to meet present demands. The lack of domestic copper has been made up for, to some extent, during the last year by releases of Government-owned stock-pile copper. This stock pile is down to the vanishing point. Imported copper has shrunk to a negligible quantity because of the 4-cent tariff.

Most manufacturers have already been informed by the suppliers of copper and copper-alloy materials that their shipments are to be drastically reduced, starting immediately, due to the fact that there is an insufficient amount of domestic copper available for processing.

This means the closing of some shops and a drastic reduction in personnel and working hours in others.

The measure introduced by the gentleman from Connecticut [Mr. PATTERSON] will alleviate the harsh results of such a serious situation. If this measure is approved, the tariff on imported copper will be suspended until such time as the domestic sources are able to produce sufficient copper for the needs of the copper industry in this country.

In view of the seriousness of the situation, I appeal for the favorable consideration of all the Members of the House.

HARRY S. TRUMAN

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, Secretary Chase was a member of Lincoln's Cabinet during the War Between the States, and it is said of him that he was a far more brilliant man than the President, had more dignity, and a more prepossessing appearance but Chase is hardly remembered today while Abraham Lincoln is remembered as one of the greatest men of all time. We are told that the sole reason for this is that Abraham Lincoln had intellectual humility and a sense of humor. Such qualities as these are sometimes the difference that makes one man great and the others just ordinary men.

We have a man in the White House today as President of the United States who is modest, who is humble, who springs from the American people, and

one who has the same type of intellectual humility. I wish to take this opportunity to commend President Harry S. Truman for his great battle last fall in behalf of all the American people rather than certain pressure groups. I am glad that the Supreme Court of this Nation in its decision last week saw fit to back up this noble stand by a typical American.

Also, this is my first opportunity to publicly commend Harry S. Truman for his great work in the closing days of World War II. Many of us who were en route from the European theater to the Pacific will always believe that the patience of President Truman in dealing with the Japanese envoys in the Pacific, who somehow never arrived in time, resulted in an early unconditional surrender of the Japs and saved thousands of American lives.

Harry S. Truman is growing, developing every hour, with the job, the burden and the duty that is his, and in his efforts to save our country in this hour of crises, he needs the support of loyal Americans of all parties and all faiths on a non-partisan level.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a recent article from the Boston Post.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MILLER of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include a recent radio address.

PERMISSION TO ADDRESS THE HOUSE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[Mr. DAVIS of Georgia addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Thursday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, the gentlewoman from California [Mrs. DOUGLAS] be permitted to address the House for 1 hour on the subject of the rising cost of living.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[Mr. SMATHERS addressed the House. His remarks appear in the Appendix.]

TERMINAL-LEAVE PAY

Mr. REDDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. REDDEN. Mr. Speaker, on January 3 the gentleman from Florida, Congressman ROGERS, introduced a bill permitting ex-GI's to cash their bonds issued for terminal-leave pay. More than 9 weeks have elapsed and no action has been taken on this bill by the committee to which it was referred.

Recently the gentleman from Florida, Congressman ROGERS, filed a discharge petition in this House, asking that the minimum required number of 218 Members sign the petition, to the end that the committee might be discharged and the bill brought before the House for immediate consideration and passage. I have signed this petition and I hope every Member will do likewise. It is nothing but fair and just that we take prompt action now.

When the officers of the Army were given terminal leave pay they were not required to accept bonds; neither were they required to wait nearly 2 years as some of the enlisted men have done to receive their cash. A great percentage of these boys need this money now. They can use it in construction of a home or the purchase of a business which will make them more secure in the future.

The money for these bonds is already in the budget. It will not change the plan of Government financing one iota. I sincerely hope there will be no further delay in bringing this bill before the House.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may meet this afternoon while the House is in session for consideration of House Joint Resolution 146 and other bills having to do with sugar.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments be permitted to sit this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent that tomorrow at the

conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Alfred P. Sloan entitled "Which Way America?"

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD in two instances and to include in one an editorial.

Mr. RAMEY asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article appearing in the Christian Science Monitor entitled "Division Among Justices," and in the other an editorial entitled "No Experts on Everything."

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

IMPORT TAX ON COPPER

Mr. KNUTSON, from the Committee on Ways and Means, reported the bill (H. R. 2404) to suspend certain import taxes on copper (Rept. No. 108), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

TARIFF ON WOOL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I listened to the gentleman from Texas a few moments ago talking about the tariff. I wonder how much the gentleman from Texas would like to reduce the tariff on wool. They now have 34 cents a pound duty. Texas is one of the largest wool-growing States in the country, and I wonder what he and the people of Texas are going to do when they reduce the tariff. Does the Texas delegation want the tariff on wool reduced? The wool growers now want the Commodity Credit Corporation to buy all the wool in this country. They want the Government to lose 10, 15, and 20 cents a pound on it if necessary to maintain the price with the tariff, and I wonder just what the gentleman from Texas and these other fellows from the South who are depending on

the Government to dig them out of the hole are going to do? They want subsidies on most everything. They want our industries to run; they want high labor standards. I ask you this, How will you maintain our standard of wages, how will you keep industries running. You buy all your goods from abroad. Who can buy it here? Where will your wages come from when industry is shut down? I say we must have a protective tariff or bang. They get the business and we get left in the lurch. I am for protective tariff for American labor and industry.

I further want to state here today that we must think hard, work fast, and make up our minds that we cannot finance any longer all the countries of the world. We are breaking down our own stability, weakening our Treasury, securing the enmity of the countries of the world. Snooping into other countries' business, men and women, I am for America first, last, and all the time, and I will not destroy America to save any country, large or small.

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I take this time to inform the gentleman from Pennsylvania [Mr. RICH] that before our Committee on Agriculture came the finest type of gentlemen from Texas that I have ever seen, all supporting a plan to keep the tariff on wool. Maybe they would like to know what is going on here this morning?

THE LATE MRS. CARRIE CHAPMAN CATT

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, the last of the veteran woman suffragists, Mrs. Carrie Chapman Catt, went to her reward March 9, 1947, at her home in New Rochelle, N. Y. During her entire lifetime, she was a pioneer and crusader for women's rights.

In my second term in the Illinois Legislature, it was my privilege to vote June 10, 1919, for the ratification of the nineteenth amendment to the Constitution granting women of the United States the right to vote, a cause which Mrs. Catt championed and crusaded for, and on the day the action of the Illinois Legislature was completed, at the request of some of the leaders of the woman's suffrage movement in Illinois, including Mrs. Catherine Waugh McCulloch, Mrs. Wirt E. Humphrey, and others, I sent Mrs. Catt telegraphic word of the action of our State. The nineteenth amendment was proposed by Congress June 4, 1919, and Illinois has the distinction of being one of the first three States which on June 10, 1919, ratified the amendment.

In a day when very few women were going to college, Mrs. Catt attended and graduated from the Iowa State College. She served as president of the National American Woman Suffrage Association and in 1911 made a world tour in behalf of woman suffrage. Shortly after the nineteenth amendment to the Constitution was ratified, Mrs. Catt was active in the organization of the National League of Women Voters and was its honorary president. She never ceased to work for women's rights and she will be long remembered by women everywhere for her contribution to their cause.

SPECIAL ORDER GRANTED

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on January 3, I introduced House Resolution 21, to continue the Special Committee on Wildlife Conservation. I ask unanimous consent that on Thursday of next week, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 20 minutes on that resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very interesting communication which I wish to call to the attention of the Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include a clipping from the Washington Post and also a clipping from the New York Times.

TARIFF ON COPPER

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Utah? There was no objection.

Mr. GRANGER. Mr. Speaker, I was very much intrigued by the statement just made by my distinguished colleague from Colorado [Mr. HILL] and the colloquy between him and the gentleman from Pennsylvania [Mr. RICH].

I had lost heart in the majority party. I thought they were going to depart from their traditional policy of a protective tariff. Since I have heard these two gentlemen, I feel very confident and sure now that this House will not reduce the tariff on copper.

INTERNATIONAL EDUCATIONAL EXCHANGES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 167)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Ex-

penditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Acting Secretary of State on the operations of the Department of State under Section 32 (b) (2) of Public Law 584, 79th Congress, as required by that law.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 10, 1947.

[Enclosure: Report from the Acting Secretary of State concerning Public Law 584.]

ECONOMY AND TAX REDUCTION

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Sunday papers carried the announcement that the leadership of the minority party had organized and were going to put into action not a goon squad, but General Gore's gorgeous flying squad of courageous and glorious guerrillas just to needle the Republicans and rejoice over an anticipated failure on the part of the Republicans to carry on a program of economy and tax reduction.

One of the orators of the squadron spoke this morning about taking care of the veterans. I think we are all in favor of that. I heartily agree with all that the gentleman from South Carolina [Mr. DORN] said about Mr. Truman, and I endorse the gentleman's statement as to the President's ability, but my suggestion is that we take care of our present World War veterans before we start another war and get another crop of veterans by sending an army to Turkey and Greece, and again to every corner of the world to impose our ideas on all others. If we want to fight communism, we might start right here in Washington.

THE COPPER BILL

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that it be in order to call up the bill, H. R. 2404, on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. FORAND. Mr. Speaker, reserving the right to object, I will not object if the printed hearings are available at the time the bill is considered.

Mr. KNUTSON. I amend my request accordingly, Mr. Speaker. We were told the printed hearings would be ready tomorrow and with that understanding I ask unanimous consent that it be in order to call up H. R. 2404 on Thursday.

Mr. FORAND. The truth of the matter is that we have had closed hearings on this bill. Several of the Members, I know, are opposed to it and are entitled to at least know what is in the hearings.

Mr. RAYBURN. Mr. Speaker, I shall have to object unless the gentleman from Minnesota wishes to withdraw his request at this time.

Mr. KNUTSON. Mr. Speaker, I withdraw my request.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1948

Mr. CANFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by the gentleman from Maryland [Mr. D'ALESSANDRO] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, and I shall not object, of course, but do I understand correctly that means the bill will not be read for amendment today?

Mr. CANFIELD. The first paragraph of the bill may perhaps be ready today.

Mr. RAYBURN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2436, with Mr. MICHENER in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANFIELD. Mr. Chairman, I yield myself 40 minutes.

It is a privilege to be chairman of the Subcommittee on Treasury and Post Office Appropriations, and I am proud of its membership—all earnest, serious-minded, patriotic men, determined to do the very best in the assignment that has been given us. Day and night for many weeks we have labored as a team. Always the work was priority No. 1. Some of us missed a roll call or two during the examination of witnesses. Members made personal sacrifices to attend many of the sessions, and this is especially true of the able and distinguished ranking minority Member, the gentleman from Maryland [Mr. D'ALESSANDRO]. In point of service on the subcommittee he is the senior member, and he has brought to the subcommittee a practical knowledge of the operations of government, an insistence on sound principles of economy and efficiency, and a spirit of cooperation. We have been fortunate to have serving with us the gentleman from Illinois [Mr. DIRKSEN], who, in addition to his many

other capabilities, brought to the subcommittee the most exhaustive knowledge of the budget possessed by any one man in the Federal Government. The gentleman from Virginia [Mr. GARY], with many years of experience as a tax attorney, as State tax commissioner, and as a member of the old Post Office Committee of the House, contributed invaluable expert knowledge. Although new members of the Appropriations Committee, the gentleman from Ohio [Mr. GRIFRITHS], the gentleman from North Dakota [Mr. ROBERTSON], and the gentleman from Kentucky [Mr. BATES], are experienced Members of Congress, have fine backgrounds for this work, have studied the problems involved, been faithful in attendance, and contributed a great deal to our work.

Midway in our labors we lost our courteous and able clerk, Mr. Jack McFall, who has left the Capital to take up duties in the Foreign Service. A real veteran in appropriations work, a wise and patient counselor, his departure is a real loss to Congress, and particularly to the Appropriations Committee. We have been fortunate in having the chairman assign to our subcommittee Mr. Claude Hobbs, who took off his coat to do a real job. Mr. George Harvey, clerk to the full committee, gave us the benefit of his years of experience.

The subcommittee's approach has never been partisan and the subcommittee was unanimous in its findings. The recommendations were unaltered by the full Appropriations Committee and the bill was reported to the House by unanimous vote.

The cry grows daily that the budget of the country be put in balance and a program of orderly debt reduction be instituted. Taxpayers are demanding relief. Mr. American Citizen is studying his government, appraising its functions, and watching his board of directors as never before. It is recognized that our way of life can be destroyed from within, that a solvent nation is the first and foremost bulwark against any enemies from without. Reports of wasteful expenditures and of employee indolence are morale-breaking. Action is demanded now. I feel that this bill is a step toward answering these demands. This is the first 1948 appropriation bill. It provides economy and serves efficiency. People are watching Congress today to see what action we take on this first bill. I believe the taxpayers will hail adoption of the bill as it was reported, and I am sure that we will have no justifiable complaint from the agencies involved that they are being hampered in their essential work.

It should be noted that the permanent appropriations of the Treasury Department include \$587,560,000 for retirement on the public debt. This is the result of a statute passed after World War I, and I regret to have to report to the House that the Treasury Department has not, in past years, been making this mandatory debt reduction. Over \$6,000,000,000 of this appropriation remains unused, as is brought out in the questioning of the Secretary of the Treasury by the

distinguished chairman of the Appropriations Committee, the gentleman from New York [Mr. TABER]. The era of deficit financing has come to an end. It is time that the Treasury Department respected the spirit and the letter of Congress' dictates. The Bureau of the Budget expects to use only about \$200,000,000 of the money Congress makes available for this sinking fund transaction this year. I sincerely hope that this estimate will be revised upwards at an early date and that in the future this law will be carried out.

Shortly before we began our hearings we learned of the so-called Morgenthau Diary incident. It was reported that public moneys may have been spent in the compilation. Papers needed by the Treasury were included therein. We requested the Secretary of the Treasury and members of his staff to tell us the story. Between the two appearances of the Secretary before the subcommittee the former Secretary, Mr. Morgenthau, volunteered to make all such papers available for inspection by the Treasury Department to determine whether any should be returned. We have reason to believe the committee may have been helpful in this decision. Meanwhile, we are urging the appropriate legislative committee to review the incident as developed in our committee's examination, which appears on pages 875-886, and 467-469 of the Treasury hearings, and page 4 of the post-office hearings. New law may be needed.

The subcommittee has called on the investigative staff of the full committee to look into the typewriter situation because of conflicting reports bearing on price, and rumors, all unconfirmed, that there is a large supply, new and used, in Government surplus stocks. Because of the ceiling price on typewriters written into this appropriation bill for many years, some of the companies are refusing to make offers.

Adoption of this bill will permit expenditures by the Treasury and Post Office Departments of \$12,388,229,971. Of this, \$10,857,496,721 is for the Treasury, and this includes \$9,186,179,221, representing permanent appropriations for general and special funds, and trust funds such as old-age, survivors' and unemployment insurance, as well as \$5,000,000,000 for interest on the public debt, all of which is beyond the control of the committee. Of the \$1,671,317,500 carried in this bill for the Treasury, only \$425,000,000 is for the actual operating expenses of the Department, and this amount represents a cut of 16 percent in the budget estimates. The bill carries \$1,530,733,250 for the Post Office Department, and this amount will permit the continuation of present service in every respect. The Subcommittee on the Treasury and Post Office, in actions confirmed by the Appropriations Committee, has cut the estimates for operating expenses contained in the budget by \$94,072,750, the refund of taxes and duties by \$803,000,000, and is recommending an appropriation \$159,538,982 less than 1947's.

Other than perfecting language recommended by the Bureau of the Budget, which has been inserted largely for clarification, or in a few instances to carry out provisions of laws passed by the Seventy-ninth Congress, the committee has not altered the general language of the bill, and the intents of the 1947 appropriation act have not been changed.

In the 1947 appropriations for the Treasury there were five indefinite appropriations, through which the Treasury was authorized to pay out "such sums as may be necessary." The Treasury estimated that it would pay out under these indefinite appropriations \$2,050,700,000 in fiscal 1948. With a firm conviction that Congress should provide specific sums for stated functions and processes of government, reserving the right to modify any action as circumstances might dictate, the committee eliminated all indefinite appropriations and placed a specific amount for each item in the bill.

The largest of these appropriations was for refunding of internal-revenue collections. The Treasury estimated that \$2,031,000,000 would be required for this purpose in 1948. Looking into the matter, the committee concluded that the estimate was excessive. On page 495 of the hearings you will find testimony of officials of the Bureau of Internal Revenue of this subject, and it will be noted that the Bureau could not entirely justify its estimates; that it was using assumptions not proved entirely correct. It was admitted their figure was only a guess. You will note that an allowance was made for refunding capital-stock taxes but the capital-stock tax was repealed in 1945, and certainly should be a dead issue by the time fiscal 1948 comes around. You will note that they expected the tax on distilled spirits to be decreased on July 1 next; but Congress has voted to continue present excise taxes. These distilled-spirits refunds alone were estimated to be \$162,000,000, although less than \$40,000,000 has been the normal expenditure in past years.

The Bureau expects that personal withholding-tax refunds will amount to \$800,000,000, but it does not appear that the Bureau has taken into full consideration that the people are better educated regarding the tax returns, employers have had greater experience in this work, and the clerical and administrative personnel in the Bureau's field offices have had additional training and are better able to perform their duties. Secretary Snyder himself testified that they expected more efficient work from their employees in the Bureau as the result of added experience and training. You will also find in the hearings the statement by responsible Bureau of Internal Revenue officials that this \$2,000,000,000 estimate was just a guess, and admission that the committee's guess might be just as good.

Taking into consideration the evidence given us, and after careful study, the committee believes that refunds of internal-revenue collections in 1948 will not exceed \$1,231,000,000, and has therefore written an appropriation of that amount

into the bill in place of the indefinite appropriation. We do not intend to leave the impression that this \$800,000,000 reduction will save a single dollar for the taxpayers. The Government will still have to pay out whatever taxes are paid unnecessarily. We do feel, however, that it is sound business and in the interest of responsible Government financing, that the estimate should be as nearly correct as possible. We believe our figure is the more nearly correct, and should be used in budgetary computations.

The other major indefinite appropriation made specific was for refunds of customs collections, testimony regarding which appears on page 819 of the hearings. This is another item in which the expenditure is uncontrollable, but once more the committee feels that it has inserted a figure more nearly correct than that subcommittee for consideration in the President's budget. This has only been an indefinite appropriation for the past 3 years. The Customs Bureau requested \$18,000,000 for this purpose in 1948, admitting that this figure was an estimate based on a belief that there would be an increase in foreign trade. This estimate did not seem to be borne out by testimony presented. The actual expenditures for the fiscal year 1946, the last year for which figures are available, was only \$10,836,154. For the first 5 months of fiscal 1947 draw-backs and miscellaneous refunds ran well below estimates, although there was some increase over estimates in refunds on duties. The committee feels that the amount of the Bureau's estimated expenditures in 1947 will also be sufficient for 1948, and therefore has made a specific appropriation in that same amount, \$15,000,000.

Other appropriations made definite were for refund of moneys erroneously collected, payment of certified claims, both in the amount of \$700,000; and payment of unclaimed moneys, for which \$100,000 is allowed.

For the actual operating funds of the Treasury, approximately \$503,500,000 was requested. The committee has allowed about \$425,000,000. Since this Department is largely a service agency, the reduction may be considered substantial. The 16-percent reduction involved here is in large part applied against personal services, and will cause a reduction in Federal employees. No exact figures on the number that will be released can be determined at this time, but the committee's report directs that those employees who cannot be retained in 1948 shall be dismissed now, so that their terminal-leave payments will be taken from 1947 appropriations. No allowance is made for terminal-leave payments to such employees in the 1948 appropriations, and the Appropriations Committee has voted that no deficiency request for this purpose will be considered. Personnel reductions in the Post Office Department will not be as extensive as in Treasury, and will be limited almost entirely to administrative personnel. These reductions will also have to be made immediately.

Last year this bill carried 57 separate items of Treasury appropriation. De-

spite the fact that 5 items were added to this bill through making definite the indefinite appropriations, there are only 48 items in this bill. Some appropriations were no longer necessary, and the Department recommended their elimination. A few things were added in accordance with laws passed by the Seventy-ninth Congress; the items added were those relating to the operation of the Federal Tort Claims Act and the requirement for separate appropriations for health services. There was one consolidation, whereby four appropriations were merged into one for greater efficiency and economy.

Of the 48 items appearing here for the Treasury, two exceed the estimates submitted, because of consolidations of accounts. Ten were given the same amount as requested, 17 were allowed more than they had in 1947, and 19 were cut below the 1947 level.

One of those which received an increase over the estimates was the general counsel of the Treasury, and this extra money was made necessary because the Office of Tax Legislative Council, the Division of Tax Research, and the Division of Research and Statistics, each of which had a separate appropriation in recent years, were placed under the Office of General Counsel.

The Division of Tax Research and the Tax Legislative Council have been making studies in wide fields, many of them overlapping, and no evidence was introduced proving the value of such studies. A review of the testimony given by the heads of these two offices will show duplication of effort. For example, on page 100 of the hearings, Mr. Shere, acting director of the Office of Tax Research, said in relation to personnel income taxes for the Federal Government in community-property States:

We are working on the whole problem.

Mr. Surrey, the Tax Legislative Counsel, spoke on the same subject on page 128, and said:

In the last year we have been reconsidering the matter.

On page 99 you will find this statement on tax research by Mr. Shere:

In addition to servicing Treasury officials, studies prepared for that purpose also serve in connection with the Treasury's presentation of testimony to Congressional tax committees, the House Ways and Means Committee and the Senate Finance Committee.

Compare this with Mr. Surrey's statement on page 117:

We represent the Treasury Department before the Committees of Congress that deal with tax matters. These are primarily the House Ways and Means Committee and the Senate Finance Committee.

I could cite other examples, but I think the case against these offices can be stated thus: On page 99 Mr. Shere made this statement:

We assist the Bureau of Internal Revenue.

When Internal Revenue Commissioner Nunan was asked about these two offices, Tax Research and Tax Legislative Counsel, he said:

As far as I am concerned, Mr. Congressman, I have never had occasion to use them.

The committee felt, since the funds for the Office of General Counsel were increased to provide for these three additional offices, that there will be ample money to conduct any legal and economic research necessary for immediate requirements. The consolidation will save \$245,000.

The only other place where the estimates were increased was in a printing item for one of the divisions of the Bureau of Accounts. This was also due to consolidation, since all printing funds were concentrated in one account for the Bureau of Accounts, and this transfer involved no change in the total carried in the bill.

The total amount carried herein for the departmental offices under the Office of the Secretary of the Treasury is \$9,017,000. This is a reduction of \$719,500 from the estimates, and will force some cuts in personnel. The consolidations under the General Counsel comes under this heading.

Another cut under this heading was for the Division of Personnel, which has been increasing in size despite that fact that personnel work was being decentralized throughout the various parts of the Department. The reduction will force a further decentralization, but will leave this office sufficient funds to operate as a policy group on the departmental level. It might also be noted that this office was supposed to handle all complaints received about Treasury personnel alleged to be engaged in un-American activities. Since this program was put into effect 3 years ago, the Division received 352 complaints. Only one hearing was held, and that in November 1943. Certainly the Treasury has been most lax in this respect, and I would recommend a reading of pages 261 through 269 of the hearings by members of the Committee on Un-American Activities. It might also be said at this time that there is no un-American problem reported by the Post Office Department and the Postmaster General testified that there were no complaints in that agency.

A new item appearing in this bill for the first time, as the result of legislation passed by the Seventy-ninth Congress, was for health programs. In the past, health programs have been in effect, but for the Treasury they were taken care of by the Public Health Service, and no special funds were earmarked in previous Treasury appropriation bills. This had to be included this year, and the Department asked for \$138,700. Since this is only for dispensary cases, it was believed that this figure was excessive, and \$75,000 was finally allowed. In addition to showing that last year these dispensaries handled only 28 cases per day per unit, or 9 cases per day per health service employee, the testimony on this subject, appearing on pages 285 to 290 of the hearings, is highly interesting.

The largest single item under the Office of the Secretary is for penalty mail, and this will require \$6,700,000 in 1948. The reason for this large sum, which is a little more than \$2,000,000 over the 1947 figure, is due to the fact that the Treasury Department's Division of Disbursement mails out the checks for the Veterans' Administration and the Federal Se-

curity Agency, both of which will be sending out great numbers of checks in 1948. The additional pieces to be mailed in all in 1948 exceed the 1947 total by about 70,000,000. In 1948, the Veterans' Administration alone expects to mail out about 100,000,000 checks. The Bureau of Internal Revenue will send out 18,000,000 more checks than it did in 1947. The other part of this increased appropriation is due to the fact that the Post Office has ordered an increase in payments for handling penalty mail, this increase amounting to about 20 percent per thousand letters.

My colleagues on the subcommittee are going to tell you presently of the appropriations for the fiscal and enforcement branches of the Treasury Department, but I want to discuss for a few minutes the two largest reductions carried in this bill. Coast Guard estimates were cut \$36,000,000, and Bureau of Internal Revenue, exclusive of refunds, \$30,000,000.

The Coast Guard has sought to expand greatly in recent years, and the estimates submitted by this agency make it appear that while the President is seeking to unify the Army and the Navy, the Coast Guard is attempting to build itself up into a full and complete replacement for the independent Navy. The committee feels that the Coast Guard should be what the name implies; a Coast Guard, and not a small edition of a navy. Consequently, the committee has placed in this bill the sum of \$97,000,000 for Coast Guard activities. This reduction is not as drastic as might appear, for the Treasury Department cut the Coast Guard's original estimates \$61,000,000, and then the Bureau of the Budget cut them \$38,000,000 more. In making its reduction, the committee has sought to eliminate funds which would permit the Coast Guard to operate far beyond the coasts of continental United States. We hope to cause a reduction in the great and disproportionate numbers of high-ranking officers, whose rank was created admittedly to keep pace with Navy protocol. We aim to prevent the construction of buildings not urgently needed, and which would draw construction materials from vitally needed housing programs. And above all we hope to force better administration of this agency. Some of my colleagues will, a little later, give you specific examples of the waste, the extravagance, and the grandiose schemes of the Coast Guard.

The committee has placed this ceiling of \$97,000,000 for Coast Guard expenditures in the bill. It is pointed out that this amount is \$72,000,000 more than its total appropriation just 10 years ago, for 1938. In setting this ceiling, we have permitted some elasticity so that the Coast Guard may administer reductions in the way it feels best. In past years, there have been nine separate appropriation items for Coast Guard. This year we have retained the language of each of the individual appropriation items, and have inserted a limitation on the expenditure for each. These limitations, if added up, amount to about \$111,000,000, but since the ceiling on expenditures for over-all activities is \$97,000,000, the Coast Guard itself will have to determine

the points in which it will not spend up to the limitation. It may be that some items can be reduced rapidly and drastically, but that others will take longer, and cannot be cut too deeply. Thus this permissive authority, amounting to about \$14,000,000, should permit orderly curtailments with the considerable latitude left to the agency.

It is not intended to reduce enlisted personnel below the 19,500 ceiling now in effect. There is a limitation of \$70,000,000 for pay and allowances, and this is only \$4,000,000 less than 1947. If the Coast Guard will carry out the intent of the bill, the reductions will be made in officer ranks. The committee feels that ample funds have been provided to permit continuation on the present scale, of Coast Guard search and rescue operations, including life-saving activities along the coast. There is enough money in this bill to permit maintenance of aids to navigation along the coast. The work of the Bureau of Merchant Marine Inspection should be unimpaired, although it will have to be better administered.

Where the cut will apply chiefly is to the blue water operations of the Coast Guard. One request which has been disallowed, for example, is the amount of nearly half a million dollars to build a storehouse for buoys in the Mariannas Islands. The Coast Guard will have to stop providing aids to navigation for the new Republic of the Philippines. We have not included funds, amounting to millions, for erection of loran stations in Alaska, where they would be of use only to the Navy for maneuvers. The Coast Guard will have to stop duplicating the research work being carried on by other Government agencies and private companies.

The Coast Guard will have to cease its overseas operations, but I can assure the Members of the House who represent coastal areas that, with efficient administration, the present work of the Coast Guard in the coastal waters of the United States can and will continue on its present basis.

A word about the reduction in administrative expenses of the Bureau of Internal Revenue, where \$208,000,000 was requested, and \$178,000,000 allowed. In 1947 internal-revenue collections dropped from \$40,000,000,000 to \$37,000,000,000. It is estimated by the Bureau that there will be a further drop in 1948 of \$1,000,000,000, without including an even greater drop if Congress passed a tax reduction act. Yet the Bureau asks \$34,000,000 more, and will have 3,000 more employees, for 1948 than it had in 1946. The percentage of taxes to be collected through enforcement activities in the 1948 estimates is less than 7 percent, compared with more than 8 percent in 1939 and 1940, when the appropriation was one-third of its present size. This makes it appear that we have reached the point of diminishing returns in appropriating for enforcement activities. If \$174,000,000 and 50,000 employees were sufficient to collect \$40,500,000,000 in taxes in 1946, certainly \$178,000,000 and 53,000 employees should be sufficient to collect \$36,000,000,000 in 1948.

I shall only speak briefly of the Post Office part of this bill. The Post Office

is also a service agency. It is also one of the biggest businesses in the world. It is operating at a deficit which must be eliminated, but it can be eliminated only through both an increase in revenues and a reduction in expenditures, not one part of the equation alone. The Appropriations Committee has therefore recommended to the appropriate legislative committee that prompt consideration be given to the matter of increasing the revenues.

The estimated deficit in 1948 will be about \$338,000,000, on the basis of appropriations carried in this bill and the revenues as estimated at present. Over \$300,000,000 of this deficit will be caused by the pay increases for postal workers passed by the Seventy-ninth Congress. It can also be pointed out that revenues from handling penalty mail for Government agencies—for which the Post Office bills the various departments and agencies of the Government at the rate of \$18.50 per thousand letters—are paid directly into the Treasury and are not credited as postal revenues. In 1946 it cost the Post Office Department \$30,000,000 to handle this mail. It should also be noted that the Post Office Department is responsible for and charged with the expense of maintaining Federal buildings throughout the United States, and that in many instances these buildings are also occupied in part by other Government agencies which do not pay rent or bear any share in the cost of maintenance.

The amount carried in this bill for the Post Office Department is \$14,000,000 below the estimates, but all reductions have been made without curtailing any service. The sum provided will make it necessary for the Post Office Department to provide strict administration, eliminating waste, and making full use of all its supplies and equipment. Certain surveys have been directed, so that the Department itself can suggest some retrenchment, and it is felt that in 1949 a lower amount will be necessary for the Post Office. Most of the savings made from the estimates have been made by denying requests for additional personnel, and by eliminating some activities that might have been desirable but were not necessary. No Member need worry, however, that the service now being supplied in his district, whether it be city delivery or rural delivery, will be impaired in the slightest. In fact, for the benefit of those living in areas served by rural delivery, provision has been made in the full amount requested by the Post Office Department for extensions of service.

No major cuts were made against the office of the Postmaster General nor in the departmental offices in Washington. It is expected, however, that some reduction in force will be required, particularly among personnel and public relations workers.

It is in the office of the Fourth Assistant Postmaster General that economy can best be practiced, for this officer has charge of all post-office buildings, vehicles, and equipment. In reducing the estimates \$3,493,000 this division will have less than it did in 1947. Equipment must be made to last longer, and supplies

must be purchased with greater caution, while their use is more carefully supervised. Some work that is not necessary will have to be eliminated. A good part of the reduction was made because the request for over \$5,000,000 for new equipment was considered excessive.

I believe that adoption of this bill in its present form will be an encouraging omen for taxpayers of the country, and will not be condemned as a ruthless slashing of the departments. It serves economy and preserves efficiency.

Mr. D'ALESSANDRO. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Maryland is recognized for 15 minutes.

Mr. D'ALESSANDRO. Mr. Chairman, I would like to emphasize the fact that this bill is presented with a unanimous subcommittee report. We have worked together without divisions, without partisan bickering, and with the sole intention of reporting an appropriation bill permitting the greatest possible service to the American people at the lowest possible cost. I believe we have succeeded. The gentleman from New Jersey [Mr. CANFIELD], serving for the first time as chairman of this subcommittee, has displayed a sense of fairness and justice on all occasions, worked hard, and has made an able leader, and it was a pleasure to work with him on this bill.

This is an economy bill. It is not wild, uncontrolled economy where estimates have been slashed without regard for service functions or public responsibilities. It does not contain the drastic cuts which have been rumored in the press. It is sane economy, necessary for the cause of good government, whereby unnecessary expenditures have been eliminated and in some cases activities that are desirable but not essential have been curtailed. If this bill is adopted, the American taxpayer will find that his twin demands for continued service and reduced expenditures have been met.

This bill does not interfere with the permanent appropriations for the Treasury. The Department estimated that \$9,186,179,221 will be required for general and special trust funds, including the old-age trust funds and the unemployment insurance funds, and the committee has not tampered with these figures. We did not change the Treasury's estimate that \$5,000,000,000 will be needed to pay the interest on the public debt, although there were rumors that this amount was excessive.

The Bureau of the Public Debt, which handles this matter, has been allowed slightly less than \$66,000,000, for fiscal 1948 for administrative purposes, and this does represent a reduction of about \$3,500,000 from the estimates although it is almost the same figure as allowed in 1947. Pages 29 to 34 of the hearings on the Treasury bill contain figures on the public debt, giving a picture of the \$257,600,000,000 debt as it was at the close of 1946. The administration of this debt is a mammoth undertaking, including as it does the sales of war bonds. In reducing the appropriation for this Bureau, the committee has specified that not more than \$125,000 of the cut shall be applied against the Savings Bond Division, which

is the Division promoting the sale of war bonds. This selling program requires constant encouragement and stimulation. The patriotic motives that caused people to buy bonds during the war is no longer so apparent. The desirability of buying these bonds as an investment must be emphasized. It should be pointed out that the administrative costs of selling these war bonds has been reduced to one twenty-third of one percent.

I should like to mention two other bureaus of the Treasury particularly at this time, for they are working branches of the Government which perform tremendously important functions, but which are all too often taken for granted. They are the Bureaus of Engraving and Printing, and of the Mint, and testimony regarding them makes interesting as well as informative reading. Such testimony appears on pages 384 through 439 of the hearings.

The Bureau of Engraving and Printing designs, engraves, and prints securities, and other documents, currency and stamps for the United States Government, and for some foreign governments on a reimbursement basis. Our Government prints currency for the Cuban Government, and only recently completed an order for Siam. While several countries do have their own bureaus of engraving and printing, a great many buy their currency from private businesses, there being two or three companies in London and two in this country engaged in such work.

The Bureau submitted its estimates to the committee showing that there was expected to be some decline in the amount of nonreimbursable work during 1948, but that this would be offset by rising costs. One of the largest items making up this appropriation is for overtime, for which \$1,300,000 was requested. Much of this overtime arises from the fact that other Government agencies send urgent and rush orders to the Bureau. Careful planning, perhaps through supervision by the Bureau of the Budget, should eliminate some of this overtime, and permit a sizable reduction in the amount paid. Demands of other agencies are one of the chief causes of overtime in the Treasury Department, and such demands should be reduced to an absolute minimum.

Turning to the Bureau of the Mint, you will find that we have allowed an appropriation of \$6,467,500 for this service, which is an increase of slightly more than \$200,000 from the 1947 figures. The estimates have been reduced by \$719,000, but the amount carried in this bill is nearly three times the cost of this service in 1940. This increase is justified because costs of materials and costs of production have gone up. Wage increases have been granted to more than 2,000 people employed in the mints and assay offices, almost all of these people being union members. But the biggest cause of the increase has been the growing demand for coins. When the price of a nickel bar of candy goes from 5 cents to 6 cents that creates a demand for pennies. An increase of 1 cent in the price of a package of cigarettes adds to the demand. There have been many of

these instances in the past year or two. The demand for coins has dropped somewhat from the peak year of 1945, but there still were 2,106,859,000 coins delivered by the mints in 1946. Over 71 percent of this total appropriation goes directly for coinage.

The amount carried in this bill for the mints will not cover the total expenditures of the mints in 1948, for there are large reimbursement items. Our mints make coins for some foreign countries. They make the medals used by our military services. For this work they are, of course, reimbursed. In 1946, the mints got, roughly, \$5,000,000 from Congress, and collected \$6,000,000 from other sources for outside work.

Too often we think of the Treasury as being nothing but a great big bank. These examples of the Bureaus of Engraving and the Mint show that there is a manufacturing side to this Department. It operates a tremendous detective agency in the Secret Service. It has a police force in the Bureau of Narcotics and the Bureau of Customs. Its work is complex throughout, and is not all book-keeping and accounting. The committee has had to cover many fields to determine fair and just appropriations for all this work. The job has been done thoroughly, and with careful thought and study to each item. The amounts carried in this bill will permit the Treasury to carry on its high standards of service in all fields in fiscal 1948.

The Post Office Department has likewise received fair and most considerate treatment. The Postmaster General appeared before us, and gave us a frank and informed picture of the problems his Department faces. All members of the committee were impressed with the seriousness with which he has undertaken his duties, and the responsibility which he feels as the active head of one of the largest businesses in the world.

There is probably no other Government agency which operates in such direct contact with every citizen of the United States, and in every single part of the country. Our servicemen abroad look to the United States mail to bring them word of home. All our military leaders have told us of the great morale building done by mail during the war, and in a sense that morale is a mighty contributor to victory, the Post Office Department shouldered a tremendous burden.

The committee held exhaustive hearings on the Post Office Department, as it did on Treasury and has come to the conclusion that in 1948 the Department will be able to operate with a high degree of efficiency on \$7,642,000 less than it has for the current year. Some of this reduction was suggested by the Department itself. In other places the committee disagreed with the departmental estimates and cut them. We made the best compromises we could. No mail carriers will be discharged, nor will any clerks. Pay increases and statutory promotions will be honored. No essential rural-delivery service, no vital star route, will be eliminated. But waste will have to be checked. New personnel will not

be added. Administrative procedures will have to be streamlined.

Most people will be particularly interested in the field services of the First and Second Assistant Postmasters General, for these are the offices that deliver the mail. If the committee has erred in assigning funds for these two services, it has erred on the generous side, for no one would deliberately delay the mail or in any way imperil its rapid and safe dispatch. We have granted \$87,470,000 for compensation to postmasters, an increase of \$750,000 over the current year. We have increased the appropriation for assistant postmasters by \$100,000, although we have not allowed any new positions, and have suggested to the appropriate legislative committee that study be given to the question of limiting appointments of assistant postmasters in the smaller second-class offices. We believe that it will be unnecessary to create any new clerkships in first- and second-class post offices, and that expenditures for overtime and substitute hire can be reduced by careful supervision, and we have lowered the estimates accordingly, although we granted \$9,784,000 for salaries of clerks in these offices so that statutory promotions and pay increases can be made.

Only recently were clerks in third-class post offices placed in the classified service, and all these positions have not yet been covered into the civil service. The conversion to the classification system has proceeded more slowly than the Department expected, and will not meet the goal set for 1948, thus making unnecessary some of the money requested. However, \$24,000,000 has been granted for this clerk hire, and this represents an increase of about half a million dollars.

The estimated obligations in salaries for city delivery carriers were about \$288,000,000 in 1947. The committee has not seen fit to authorize any new positions, but we have added \$7,300,000 to meet all salary increases and promotions according to law.

A full continuance of all present rural-delivery service, plus some extensions as required by law, will be permitted with the funds allowed this item—\$129,167,000. The estimates submitted by the Department were lowered somewhat, since it was not believed that the requested 150 additional carriers were absolutely necessary.

I would like to call your special attention to the section of the report dealing with special-delivery service, and also to the testimony on this matter, which appears on pages 46, 49, and 118. This is a particular problem to the post office, because Congress has passed a law which has increased the costs a great deal, while at the same time leaving the efficiency of special-delivery service open to some criticism. We have asked that the legislative committee study the matter, and I have noted that the Post Office Department has submitted certain recommendations to Congress. Special-delivery messengers are no longer paid on a fee basis, but are now on salary. In addition, they are paid 75 cents an hour

for the use of their cars. The appropriation carried in this bill is approximately the same as for 1947, but this represents a tremendous increase over a few years ago, due entirely to the new law.

In the field service of the Second Assistant Postmaster General we have had to increase the appropriation for star-route service because people are now charging the Government more to carry mail on these routes. We were able to effect some reductions in payments to railroads, because the volume of mail to be carried will probably decline in 1948. It should be noted at this point that the railroads just a week or so ago filed applications with the Interstate Commerce Commission, which fixes the rate the Government pays these carriers, for substantial increases. The Post Office has indicated to the committee its intention to fight any such increases.

The volume of air mail carried during this fiscal year has not been up to expectations, and the Department asked for about \$11,000,000 less than it had this year. The amount appropriated in this bill is still somewhat above the expenditures for 1947.

I hope this bill will be passed by the House in its present form. It is fair to the departments involved and it is fair to the American taxpayers. No one should expect more.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. D'ALESSANDRO. I yield to the gentleman from North Carolina.

Mr. BONNER. Yesterday in a radio discussion of this bill I heard the remark that the reduction to be effected in this bill with respect to the field workers of the Internal Revenue Bureau, that is, the inspectors and investigators of private tax returns, would be reflected in a loss to the Treasury greater than the saving effected. Is there any foundation for that statement?

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. D'ALESSANDRO. I yield to the gentleman from Illinois.

Mr. BONNER. Did the gentleman hear that discussion?

Mr. DIRKSEN. I did not hear the discussion, but I had an idea the question would be raised. May I remind my friend that there are over 33,000 in the administrative service of the Bureau of Internal Revenue, as against only 26,000 on the enforcement end. There is a specific item in the report that the committee will not countenance a reduction in the enforcement personnel. We want them to get out of Washington some of these people in the administrative offices who are falling all over themselves. It is the particular design of the committee to see that the enforcement activity is preserved.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. D'ALESSANDRO. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. The gentleman from Maryland did not answer the question that I asked. Would the gentleman answer the question, and then would the

gentleman from Illinois [Mr. DIRKSEN] comment on it?

Mr. DIRKSEN. I think that was the answer.

Mr. BONNER. Will the reduction you have made in this particular division of the Treasury reflect a loss or gain to the Treasury Department?

Mr. DIRKSEN. If the gentleman will permit me to answer, the answer is simply that while revenue is going down, personnel is going up, and the amount that is achieved by enforcement activities percentage-wise is infinitely smaller than it was in that period from 1929 to 1936 when they had only a fraction of the employees they have in the Bureau of Internal Revenue at the present time.

Mr. BONNER. Do you direct the Internal Revenue to maintain their field staff and curtail their office staffs?

Mr. DIRKSEN. Yes; we could not give them legislative direction in the bill, but we did write the appropriate provision in the report.

Mr. BONNER. Then there will be as much field inspection in the future as there has been in the past?

Mr. DIRKSEN. Yes; and the committee feels that field investigations and enforcement activities ought to be a little more efficient than they are at the present time.

Mr. BONNER. I thank the gentleman and hope as I have been assured that the field force will be maintained and enlarged, for it is here that much revenue is gained for the Treasury.

Mr. CANFIELD. Mr. Chairman, I yield 25 minutes to the gentleman from North Dakota [Mr. ROBERTSON], a member of the committee.

Mr. ROBERTSON. Mr. Chairman, as a new member of the Appropriations Committee, I am tremendously impressed with the remarkable leadership displayed by the chairman of the subcommittee, the Honorable GORDON CANFIELD. For a man comparatively new in the Congress, I am amazed at his grasp of the situation we have at hand today. He has done a most excellent job in piloting the committee through the hearings.

Those of us who are familiar with the work of the Appropriations Committee know it is one that calls for great capabilities in dealing with figures and detail. It calls for long hours of study before each day's hearings, and one must be adequately prepared in checking item by item, especially at a time when the Congress is committed to a reduction in the Federal expenditures.

He has been handsomely supported by our able colleague, the Honorable EVERETT DIRKSEN, who has had many years' experience on the Committee on Appropriations. His contribution, as is always the case, has been exceptional. The other members, some of whom are new—both Democrats and Republicans—have shown every disposition to be present and carry through the long, tedious days, day after day, and I am happy indeed, as we report this bill to the floor of Congress, to also be able to say that it is not a political bill, that it comes to the floor not with a divided report but rather with a unanimous report of both the Democrats and the Republicans. We have dealt with the conditions in this

appropriation measure on a nonpolitical basis. This, the first of the appropriation bills on the floor, is the beginning of a new trend of events in our Nation.

It is a vastly easier program to hold hearings on appropriation bills and yield to the demands of the departments for an ever-increasing amount. It calls for greater study of all the items. When the question before us is one of reducing expenditures, it calls for diligence and a quality quite remarkable for the reason that as we cut expenditures we must be careful not to impair the necessary functions of the National Government. I shall touch briefly on a few points, in the time given me today, contained in the Treasury and Post Office Departments' appropriations.

In the Treasury and Post Office Departments there are five agencies engaging in whole or in part in law-enforcement activities. They are, naming them, the Secret Service, the Post Office Inspection Service, the Bureau of Narcotics, the Bureau of Customs, and also the Coast Guard, which was originally founded for this purpose, and it is placed under the Treasury Department because of its enforcement activities.

The Secret Service and the Postal Inspection Service rank with the finest enforcement groups in the world. In our effort in composing this bill the committee has been careful not to impair their work, nor the enforcement work of the other agencies. The Secret Service submitted requests for \$3,465,100 but after a careful study, the committee found, in its wisdom, that this was higher than was necessary, and the amount therefore carried in this bill is \$2,707,500, or \$757,600 less than was requested. It is also \$404,500 less than the Service has for the present fiscal year.

The principal function of the Secret Service, as you all understand, is the suppression of counterfeiting, and the excellent work it has done in this field can be found in the figures and statements appearing on pages 196 and 197 and on pages 222 to 226 of the hearings. It reveals that counterfeiting is much less today than it was 10 years ago due to the scarcity, perchance, of materials that are necessary to make fake coins and bills. There is today \$20,000,000,000 more currency in circulation than there was in 1940 and 600,000,000 pieces of Government securities outstanding compared to less than 15,000,000 in 1940. While the number of securities outstanding would indicate the possibility of an increased number of forgery cases, the efficiency of the Service has been such that the number of cases in 1946 was slightly under the 1940 figures. The criminals are evidently learning that it does not pay to engage in counterfeiting or forgery of Government securities.

Included under the funds for suppression of counterfeiting is the protection of the President and members of his family. It may be that with the return of peacetime routine certain protective measures can be abandoned, but you will note that in the report the committee has specified, in reducing this expenditure, that none of the cut was to be applied against the funds used for the

protection of the President and his family, unless the Secret Service itself determined that adequate protection could be given with less money. It is felt that the sum allowed for the suppression of counterfeiting and other crimes will be ample and will not, generally speaking, impair the efficiency of the Secret Service if carefully administered.

The White House Police force protects the White House and the grounds. The committee has made a reasonable reduction in this appropriation for this force, and it may be that the cut made will impair the work of the Service. However, this committee appropriated the full amount necessary to provide for a force of the size prescribed by law. There is a statute, the act of April 22, 1940, Third United States Code, page 62, that fixes the size of the White House Police force at 80 men, including officers. In past years the committee has written a provision into the appropriation bill stating that notwithstanding the provisions of this law, the force shall consist of 114 men. The committee is of the opinion that this was legislation in an appropriation bill, and would be subject to a point of order. We believe the proper recourse is for the Secret Service to ask the proper legislative committee to provide for a greater number of men, if it is deemed necessary to have them. The committee has eliminated this legislative phrase, and appropriated funds to pay the salaries of 80 men in accordance with the law.

The uniformed Secret Service also protects Treasury buildings. In the year 1939, \$300,000 was sufficient for this purpose. In the year 1943 the Service asked for \$849,700. It is true that some additional functions have been added in the past 9 years, but at the present time these additional functions are being eliminated. The committee considered the request this year to be excessive, and after great care and study, reduced it \$130,000. All in all we have given the Secret Service for the fiscal year 1948 a sum that is equivalent to its appropriations in the war years. The war has been over almost 2 years and it seems to us of the committee that the Secret Service should be getting back to its peacetime size.

The Post Office's counterpart of Secret Service is the inspection service, and the committee, I feel, has been most generous here. We have granted the inspection service \$125,900 more than it has for the present year, and we have only reduced the estimates \$251,400.

There are four items which make up the appropriations for the inspection service. Two of them, travel expenses for inspectors and payment of rewards, are carried in the same amount as for 1947. This will actually cause some reduction in travel because the committee has eliminated from the bill provision that inspectors shall be paid 3 cents a mile for official travel in their privately owned cars. This will permit payment of 4 cents a mile under Public Law 600 of the Seventy-ninth Congress, and puts the inspectors on a par with other Government workers who have received the higher figure.

The item for salaries for inspectors is \$198,300 higher in this bill than it is in 1947 and this will permit statutory promotions. The committee does not consider it necessary to create any new inspectors' positions and consequently it has not allowed any funds for that purpose.

Some reductions have been made in the appropriation for salaries of clerks at division headquarters. During the war these clerical staffs were built up at an unusually heavy rate. The committee feels that with the emergency now over, postal inspectors should be able to utilize clerks at local post offices on a part-time basis, reducing thereby the clerical work at division headquarters and eliminating some of the war-service personnel.

Enforcement activities of the Bureau of Narcotics received a good deal of notice in the press recently, when the Bureau forced the expulsion of an American ex-convict and deportee. Over a long period of years this Bureau, under Commissioner Harry J. Anslinger, has been doing a quiet but very efficient job. The funds allowed this agency in 1947 were approximately the same as 10 years ago, although this amount for this year has been increased \$130,000 to allow in part for the pay increases voted by the Seventy-ninth Congress.

The testimony of Commissioner Anslinger appears on page 181 of the hearings, and is not only informative, it is very interesting. Narcotics agents comprise only 2 percent of the entire police forces of the country, yet they have provided 10 percent of the population of our Federal prisons. There is an increase in the number of violations of narcotics laws, and this Bureau is maintaining a record of getting convictions in 85 percent of its cases.

Narcotic control is not entirely a Federal problem. There must be a degree of control and enforcement by the States, and as the testimony shows, this is especially true of marihuana and the so-called sleeping powders. You will note on page 191 that Commissioner Anslinger declared:

The control of sleeping powders should not be handled by the Federal Government.

We of the committee are of the opinion that it should remain a State function. Forty-four States do have uniform narcotic control acts, but only New York, Connecticut, Pennsylvania, California, and Florida have enforcement agencies. The Commissioner complimented the States that are doing this job, and indicated that there was full cooperation with the Federal Bureau, which does control importation, manufacture, and distribution.

In support of some reports of extravagances in our military expenditures, the Commissioner told the subcommittee a story. By virtue of his office he is custodian of all drugs and narcotics in possession of the Government, and has narcotics stock-piled in several places in the United States. There are great quantities of drugs in his storehouses. Yet not too long ago the War Department decided that it needed \$15,000,000 worth of opium. Army officials did not consult the Commissioner, but prepared to make

these purchases in the open market. Fortunately word of this intended action came to the Commissioner. He was able to tell the Army that he had this much opium in his surplus stocks, and as a result an unnecessary expenditure of \$15,000,000 was eliminated.

We feel it will be of interest to have Dr. Anslinger's answer to this question:

Has there been any increase toward addiction among the veterans?

His answer was:

I am happy to say that right now, from what we know, we can count them on our fingers.

At the time the Bureau of Customs was up for consideration by the committee, the Attorney General made an observation in which he suggested that some of our law-enforcement agencies could be consolidated, and one of his ideas was to combine the border patrol of the Immigration and Naturalization Service with the border patrol of the Bureau of Customs. The committee feels that such a plan has genuine merit. As the report points out, one man can be given the dual responsibility to patrol against violations of either customs or immigration laws, and there is little justification for having two sets of officers patrolling the same sections of the Canadian and Mexican borders.

This is just one place, and a symbol, if you please, in which entrenchment might be made by Customs. Another is in the Foreign Service, and there was little evidence to show that all of the Customs work abroad could not be handled by the regular diplomatic and Foreign Service agencies of our Government.

We have been mindful of the fact that peace has resulted in the restoration of foreign trade. The wartime development of air transport has increased the Customs problems. The work load of this agency is increasing. But the Customs Bureau came before us and asked for \$10,000,000 more than they have in 1947, and offered no plans for consolidating their work or perfecting their administration, or otherwise directing their efforts toward any safe economies. The committee can see, we believe, where there might be savings. I have here alluded to two of them a few moments ago. We, the committee, therefore consider the estimates of the Bureau excessive, but we did permit \$3,000,000 more than in 1947 to take up the added work load. The tables appearing on pages 793 through 796 bear testimony of this work-load increase.

Every Member should read carefully the testimony of the Coast Guard officials, starting on page 570 of the hearings. First, you might refer to a statement by Secretary of the Treasury Snyder, which appears on page 17. This reads, and I quote:

The functions the Coast Guard performs are of a nonmilitary nature.

Parenthetically, that would set at rest any feeling that this reduction in the appropriations for the Coast Guard is a cut in national defense.

The functions the Coast Guard performs are of a nonmilitary nature. Their policing is in connection with the customs operation and not as a military operation particularly.

It does not appear that the Coast Guard has advised the Secretary of its intentions. The estimates submitted to the committee calling for \$133,000,000 would have permitted establishment of a miniature navy. One can only imagine what plans the Coast Guard had in mind when it originally asked the Treasury budget officer for \$232,000,000.

Even if the estimates submitted to the committee were approved, we would have had a small navy with a vast preponderance of high brass. On page 579 it is brought out that there would be one officer for every six enlisted men. I refer to the table on page 587, which shows the percentage of commissioned and warrant officers to enlisted personnel. For 1947 this was 14.3 percent. You will note that the Coast Guard has this tendency after every war, for in the early 1920's the percentage was about the same, but that during the war it dropped to less than 6 percent.

On the same page Captain Richmond, Chief of the Planning and Control Staff, admits that when they have to reduce personnel in the Coast Guard they let the enlisted men go and keep the admirals. It is not the admirals who man the lifeboats to go to the assistance of ships and lives along our coasts. Captains and commodores do not tend the buoys and other aids to navigation. Flag officers do not man the lighthouses. The past procedure of this service in making personnel reductions must be reversed. Yet this very year the Coast Guard came before the committee and asked permission to make six new admirals next year. Look at the statements on page 627. In the Commandant's headquarters in Washington there are eight officers for every enlisted man.

One more point on this topic: We asked Admiral Farley, the Commandant, why he needed 23 more flag officers in 1948 than there were in 1940. His answer was that the Coast Guard had to keep up with Navy protocol.

I urge you not to miss the tables on pages 593 and 600 of the hearings. Here the Coast Guard has listed the distance from its bases to the nearest Army and Navy bases. One of the arguments advanced for merging the Army and Navy has been to eliminate duplication of facilities in the immediate area. The table of page 600 shows that in many instances the Coast Guard has duplicated Navy base facilities. Twenty Coast Guard bases are listed. Eleven of them are within 10 miles of a Navy base. In Norfolk, Va., a Coast Guard base is adjacent to a Navy base. In Boston, such bases are three-tenths of a mile apart. In Little Creek, Va., they are only one-tenth of a mile apart.

Out in San Diego, Calif., the Coast Guard has built an air base only 2½ miles from a large Navy air base. In San Francisco, Navy and Coast Guard air bases are within 12 miles of each other. Up in Boston, they are 20 miles apart. And you must bear in mind that the Coast Guard has only 110 operational planes.

The chairman of the subcommittee has touched on the deep-sea operations of the Coast Guard. Added altogether we have a sordid story of bureaucratic expansion at its worst. The cut the

committee has made is in my personal judgment completely justified beyond question.

In conclusion, I should like to say to the Members of this Congress that the Appropriations Committee is confronted with a difficult task. We must find the common ground in our endeavors where the taxpayers who support the Government and the spenders recognize the responsibilities of each other. In my personal judgment the taxpayers have 51 percent of the stock in this American corporation.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Ohio.

Mrs. BOLTON. In the matter of the Coast Guard, have you made so much cut in that that our own coast will lose some of the already restricted service of that agency?

Mr. ROBERTSON. I am of the opinion that we have not. I am of the opinion that the Coast Guard has been amply provided for in our appropriation.

Mrs. BOLTON. On Lake Erie, near which I live, we are very definitely short of personnel. We have had some very disastrous happenings because the Coast Guard could not be reached, and there were not two boats to go.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that we are bringing the Coast Guard back home to do the things for which the Coast Guard was created, and, therefore, it can do the thing that the gentleman has in mind and do it properly and efficiently. Sufficient money for this purpose is incorporated in the bill.

Mr. ROBERTSON. I thank the chairman. I was going to answer the gentleman and say that her difficulty had probably arisen because the Coast Guard was part of the Navy and probably away from her section of the country when it was needed.

Mrs. BOLTON. Mr. Chairman, if the gentleman will yield further, does the Coast Guard have anything to do with the Narcotics Division?

Mr. ROBERTSON. No.

Mrs. BOLTON. Do they make any contribution to the apprehension of these violators?

Mr. DIRKSEN. Mr. Chairman, if the gentleman will yield, it would only be in case the Narcotics Division would call on them that they would have that function, but as such they do not pursue it.

Mr. D'ALESSANDRO. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, may I at the beginning pay my tribute to the chairman of our subcommittee, the gentleman from New Jersey, Mr. GORDON CANFIELD. Serving for the first time as the chairman of the committee, in my judgment he has done a magnificent job. He showed a thorough acquaintance with the various items of appropriation, which evidenced a deep study of the bill before us. I know that he worked for many hours in order that he might be prepared to examine the various witnesses as they

appeared before the committee. He exhibited a quick understanding of the problems which were presented, and throughout the entire hearings he was eminently fair to the minority as well as the majority members.

May I also pay my tribute to the executive secretary of the committee, Mr. Jack McFall, who served with the committee when we were considering the appropriations for the Treasury Department. He is a clerk of long standing in this House. His knowledge and experience were invaluable to the committee. It was a matter of deepest regret to each one of us that he was forced to relinquish his labors after the Treasury hearings had been concluded to accept a position with the State Department, where he will serve in the Foreign Service. Our committee's loss, however, was the State Department's gain. Notwithstanding the fact that he had relinquished his duties with the committee, he collaborated in drafting that portion of its report relating to the Treasury Department.

Mr. McFall was succeeded as executive secretary of the committee by Mr. Claude Hobbs, a newcomer, who shows every evidence of possessing the necessary ability to qualify him as a valuable addition to the staff of the Committee on Appropriations.

While it may be somewhat unusual, I like to give recognition where recognition is due. Mr. Palmer Murphy, who is Mr. CANFIELD's personal secretary, also rendered invaluable service to the committee. I do not believe we would have passed the transition period from one executive secretary to another so smoothly if Mr. Murphy had not been following the proceedings of the committee so closely that he was able to assist the new secretary in his work.

The members of the committee have all labored diligently and well. The ranking minority member the gentleman from Maryland [Mr. D'ALESSANDRO], displayed a high caliber of leadership.

May I say Mr. Chairman, with all candor that I do not think the committee as a whole has done such a bad job on this bill. Personally, I am committed to a program of reduction in public expenditures. Last fall when I ran for reelection, one of my campaign pledges was that I would do everything I could to reduce public expenditures to an absolute minimum compatible with efficient governmental service. I hope we have done that in this bill.

This is a difficult bill. In the first place, we are dealing with the Treasury Department. The estimates submitted in the President's budget for the Treasury Department were \$11,740,000,000. Of that amount, however, \$9,186,000,000 was for permanent appropriations which are beyond the control of the committee. These permanent appropriations are made up of such items as interest on the public debt of \$5,000,000,000. The committee could not change that item regardless of the wishes of its members. We have borrowed the money from various sources, and we must not only pay back the principal in time but we must keep up the current interest payment annually. Another item of permanent

appropriations is the \$3,500,000,000 expenditure from trust funds, such as the social-security fund, which the committee could not touch.

In addition, there are certain indefinite appropriations, which total over \$2,000,000,000. They cover such items as tax and custom refunds. In a measure, these items also are beyond the reach of the committee. However, the committee decided on the basis of the evidence before it that these appropriations had been overestimated and it reduced the estimates of the indefinite appropriations by \$802,000,000. I want to be perfectly frank to the Members of this House. I do not think this reduction saved the American taxpayers one single penny. Because these refunds represent overpayments in taxes and customs which must be returned to the taxpayer regardless of the appropriation contained in the bill. If the estimates of the committee are correct there will be \$803,000,000 less paid out than was contemplated by the President's budget, but there will be no saving, because if we appropriated \$2,049,000,000 as requested, and the refunds amount to only \$1,246,000,000, the balance would remain unexpended. What the committee has done is to make a reestimate of the items based upon the evidence before the committee.

When you deduct the permanent appropriations and the indefinite appropriations you have left the operating expenses of the Treasury Department which constitute a relatively small portion of the total. Here again you are faced with a grave dilemma, because we know that people of this country want Federal expenditures reduced as much as is possible. Yet, the Treasury Department is the revenue-raising department, and if you reduce expenditures too drastically you will curtail the activities and efficiency of the Department to the point that revenues will be reduced also. In other words, there is always the danger that you will kill the goose that lays the golden eggs. What we tried to do in this bill, therefore, was to strike an even balance between expenditures and needs of the Department.

We made a very substantial cut in the Bureau of Internal Revenue. The reduction, however, is not quite as large as it was at one time during our deliberations. I became somewhat apprehensive that perhaps we had gone too far and might impair the efficiency of the Bureau. At my suggestion the committee went back and reconsidered the appropriation, and added some additional funds to it. I hope and believe that our final figure is fair and reasonable.

I was somewhat apprehensive about the Coast Guard, in whose appropriation we made a substantial cut. However, there is but one way to reduce expenditures and that is to reduce them. The facts are that the Coast Guard has expanded tremendously during the war. The committee felt that the time has come when we should begin to retract and to eliminate some of the war activities.

With reference to the Post Office Department, this is one of the oldest departments of the Government. It is con-

ducting one of the largest businesses in the United States. This business consists of rendering to the people of this Nation a service which must be maintained at a very high degree of efficiency. I believe I can say that every member of this subcommittee was impressed with the efficiency of the Department. We did not find a single bureau in which there appeared to be any extravagance or waste, and yet we felt that certainly there could be a token cut in the Department, which is all that has been made.

We have reduced the estimated expenditures of the Post Office Department less than 1 percent. The budget estimates for the Department were \$1,545,000,000. We reduced them only \$14,356,000.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. DINGELL. That is the total amount of savings in the Post Office Department?

Mr. GARY. To be exact, the budget estimate for 1948—and these figures may be found on page 41 of the report—were \$1,545,089,250. The committee recommends \$1,530,733,250, a reduction of \$14,356,000.

Mr. DINGELL. That is very far from what we expected in the matter of savings. I had understood they were going to take 500,000 employees away from the Post Office Department out of the 541,000 total they had. Did not we hear that at one time?

Mr. GARY. May I say to the gentleman from Michigan that so far as I personally am concerned I am not half so much interested in the legislative budget or in the remarks that are made with reference to it as I am in the appropriation bills that come before this House. I prefer to base appropriations upon committee investigations rather than legislative guessing. What our committee has done is to examine this bill with the idea of reducing it as much as we possibly could without impairing the Government service and without reference to the legislative budget or any remarks that have been made with reference to it.

Mr. DINGELL. The gentleman misunderstands my remarks in this instance.

Mr. GARY. I understand the gentleman.

Mr. DINGELL. I say the sum total of the savings will be about \$14,000,000.

Mr. GARY. In the Post Office Department, it will be \$14,356,000.

Mr. DINGELL. From what I had heard heretofore we were going to dismiss about 500,000 of the 540,000 employees of the Post Office.

Mr. GARY. We did not do that; we did not think it could be done. Moreover our savings insofar as the Treasury Department is concerned, the actual savings are approximately \$80,000,000. So in the combined Treasury-Post Office bills we have saved approximately \$95,000,000.

Mr. DINGELL. In other words, this saving is not going to amount to much as far as the individual taxpayer is concerned, any more than the cut in the budget estimate covering tax refunds. Is

not that so? In other words, it is not going to mean very much.

Mr. GARY. The cut in the budget estimates concerning refunds is \$800,000,000. We have only saved \$95,000,000.

Mr. DINGELL. That is just a paper saving?

Mr. GARY. I did not say it was a saving. I said the cut in the estimate was \$800,000,000. I have insisted from the beginning there is no saving.

Mr. DINGELL. That is right. Then the gentleman's mind and mine agree.

Mr. GARY. That is right.

Mr. DINGELL. We are striking at a figure in the budget estimate covering refunds, but it does not mean any savings.

Mr. GARY. There was no figure in the budget, but there were estimates as to what the refunds would be. We wrote a figure into the bill. We did make it a definite rather than an indefinite appropriation.

Mr. DINGELL. It will have to be whatever the amount is, will it not?

Mr. GARY. If our estimates are below the actual refunds that are required, it will have to be taken care of through deficiency appropriations.

Mr. DINGELL. That is right.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I do not want the RECORD to show that the committee agrees there will be no money saved here because I think I can show and propose to show after awhile in my own time as to where this saving actually is.

Mr. DINGELL. In the figures covering refunds?

Mr. DIRKSEN. Very definitely in the refunds.

Mr. DINGELL. Then it means that Uncle Sam is collecting something he is not entitled to?

Mr. DIRKSEN. No, indeed. Uncle Sam has not collected anything he is not entitled to. Somebody has overstated the case in the budget and let it be reflected in the fiscal year 1948, perhaps for the purpose of not having to show an equivalent amount or anything like it in the budget for 1949. However, I will discuss that in my own time.

Mr. DINGELL. Very well.

Mr. GARY. I made the statement previously that there was evidence before the committee that the entire amount requested would not be necessary. However, I do not regard any change in that figure as an actual saving of expenditures.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. GORE. I would like to bring the gentleman back, with his permission, to the reduction in the Post Office Department. As I understand the report and the gentleman's statement, the bill contains appropriations which are \$14,356,000 less than the budget estimate.

Mr. GARY. That is correct.

Mr. GORE. The gentleman knows that the same subcommittee on which he now serves last year reported a bill \$19,000,000 under the budget estimate.

Mr. GARY. I was not a member of the committee last year, and am not familiar with the amounts reported then.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. There came to the Appropriations Committee just a day or two ago a deficiency estimate for \$32,000,000 for the current fiscal year 1947. So when you contemplate that, then match it against the cut in 1947 and the proposed cut in 1948 I think it is pretty apparent this subcommittee has done a very good job.

Mr. GORE. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman from Illinois speaks of proposed cuts and proposals. I am speaking of what this subcommittee did last year and this year. This year you bring in a bill which is \$14,000,000 under the budget estimate. Last year the same committee brought in the same bill or a bill on the same subject \$19,000,000 under the budget estimate.

Mr. GARY. May I say that this committee worked on the bill before it. It did not consider last year's bill. I think it has done a very good job with the \$14,000,000 reduction.

Mr. GORE. I was not undertaking to criticize the gentleman's committee. I think he did a conscientious job on the Post Office Department bill, but when you go into it you find that all of the proposals that had been made heretofore could not be lived up to and still give to the people rural mail service, city delivery, air mail service and rail transportation of the mail.

Mr. DIRKSEN. Mr. Chairman, if the gentleman will yield further, the subcommittee could have whacked out \$100,000,000, but this subcommittee does not propose to do what has been done in previous Congresses, and that is to legislate by deficiencies. We mean to make it stick and to make it a real worth while estimate.

Mr. DINGELL. Nineteen hundred and forty-eight has not come around yet, so there is no deficiency.

Mr. DIRKSEN. Exactly. But we are anticipating 1948, and in the hearing it was very conclusively shown—

Mr. DINGELL. The gentleman from Illinois knows that you do not act on deficiencies as a justification for this.

Mr. DIRKSEN. Please let me continue. The Post Office officials said this is the best hearing that they have had on Capitol Hill in 20 years, as an indication of the care with which this committee approached its responsibilities, and it wants to make sure that it does not come back here for millions and millions of dollars at some time in the future.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Mississippi.

Mr. RANKIN. The question that disturbs me is—and I am getting a good

many protests—that they are attempting to balance the budget, we might say, on the farmers who are being denied rural electrification. Now, we could go to those farmhouses when the draft was on to get the boys to fight this war, and I am opposed to cutting one dollar off what is necessary to extend rural electrification to the farmhouses of this Nation.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I have received quite a number of letters recently about growing towns down in my section of the State that want rural delivery such as cities have been enjoying for many years. They come back and say, "We do not have the money to give the people this service." In my district the Post Office Department wants to make some of our temporary carriers permanent. But they say, "We do not have the money." Now, I want to know what you have done in this appropriation with reference to giving enough money to give the people back home the service that those people are entitled to; that is what I want to know.

Mr. GARY. We have given the Post Office Department nearly everything they have asked for. We have cut their appropriation less than 1 percent.

Mr. ZIMMERMAN. Does the gentleman have a break-down to give some of the figures?

Mr. GARY. Yes.

Mr. ZIMMERMAN. What are you doing for rural delivery? I would like to know that because I am going to write these people where the trouble is and why they are not getting the service.

Mr. GARY. As to the rural delivery service, the budget estimate for 1948 was \$129,367,000. We recommend in this bill \$129,167,000, which is a cut of only \$200,000.

Mr. ZIMMERMAN. Now, just a moment. You had evidence before your committee, if you tried to get the facts, that they did not have enough money to give the type of service that was needed throughout the country, because they have not had the money, and that is why we are not getting it. Now, I have concrete cases; I know what I am talking about.

Mr. GARY. All I can do is to speak from the record.

Mr. ZIMMERMAN. Why did you cut them?

Mr. GARY. Let me answer the gentleman's question, please, sir. The budget estimate for rural-delivery service was \$2,759,000 less than appropriations for 1947. The 1947 appropriation and estimated deficiencies were \$132,126,000. The Post Office Department only asked for \$129,367,000 for 1948, and we gave them all of it except \$200,000, and I dare say that is the smallest percentage cut that will be made in any item probably during this entire session.

Mr. ZIMMERMAN. What did you do for city delivery? My towns have grown down there 100 percent in some instances. They are entitled to it.

Mr. GARY. They asked for \$295,638,000, and we gave them \$295,300,000,

thereby cutting the budget estimate \$338,000.

Mr. ZIMMERMAN. Here is the point I want to get over: Rural delivery is growing, because when you build roads you make it possible for people to use them and they are entitled to that service under the established policy of this Government, and that same thing is true with your cities, where they grow; they are entitled to this service. They are entitled to it because other cities have been having it for many years.

The point is, if there is not enough money to expand that service I want to see that the people know where that cut comes from. A cut along that line is not justified unless there is strong evidence to support it. You have plenty of money to carry out that program. The people are entitled to that service.

Mr. GARY. May I say to the gentleman that there has been practically no cut at all. I stated in my opening remarks that this committee is fully cognizant of the fact that the Post Office Department is rendering a service which must be maintained at the very highest peak of efficiency, and we governed ourselves accordingly. That is the reason the cut in the Post Office appropriations has been only \$14,356,000.

Mr. ZIMMERMAN. What did the budget call for on these items?

Mr. GARY. In one case the budget estimate called for \$129,367,000, and we cut that item only \$200,000.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. D'ALESSANDRO. Mr. Chairman, I yield five additional minutes to the gentleman from Virginia.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. For the benefit of the gentleman from Missouri, let me read the last three lines of this paragraph, on page 38:

Necessary expenses of the rural delivery service, \$129,167,000, of which not less than \$200,000 shall be available for extensions and new service.

That is written in the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Mississippi.

Mr. RANKIN. The trouble is that the Bureau of the Budget undertakes to cut down on the funds necessary for the extension of rural free delivery. I am not in favor of the budget legislating for me, as far as I am concerned. I have always taken that attitude. I am getting letters from the Post Office Department saying that these extensions of rural routes have been provided and allowed; they have been approved, but we cannot get money to make the extensions. While we are taking care of everybody else under the shining sun, it seems to me that regardless of the attitude of the Bureau of the Budget we could provide funds to extend rural letter service to those homes that we visited with the draft to get men to fight this war. I do not care what the Bureau of the Budget

says about it; I am in favor of providing the funds to extend rural electrification and rural free delivery both to every farmhouse in America.

Mr. GARY. I think this committee has done just that. If we have erred it has been an error of the head and not of the heart, because I personally do not yield to the gentleman from Mississippi or to any other Member of the House in my desire to furnish the people of this country the proper rural mail delivery.

Mr. RANKIN. I will say to the gentleman I was not criticizing the gentleman from Virginia.

Mr. GARY. I understood that.

I think it is fair to say, Mr. Chairman, that under the recommendations in this bill it is estimated there will be during the next fiscal year a deficit of \$335,000,000 in the Post Office Department. We hear a lot of talk of subsidies. That deficit of \$335,000,000 means that the Government is subsidizing certain users of the mail approximately \$235,000,000, as it is estimated that it costs about \$100,000,000 to carry the Government's free mail.

The House attempted to remedy that situation last year. Before I was appointed to the Committee on Appropriations I had the privilege of serving as a member of the Post Office Committee. I sat on that committee when we reviewed a study that had been made by experts brought into the Post Office Department to determine what changes should be made in the rates of the mail service to put the department on a self-sustaining basis. After lengthy hearings, the committee reported out a bill to increase the rates on catalogs. It passed the House by a very large majority. We then reported out a bill to increase parcel-post rates. That bill also passed the House by a very large majority. We then held hearings on the rates on books, but since the two bills we had passed were resting quietly in the committee of the other body and no action was being taken, further hearings were suspended and no other bills were reported out.

Another study has been made and the Post Office Department has submitted certain recommendations to the Congress with reference to rates. If we are really serious in wanting to put the Post Office Department on a self-sustaining basis, we will have an opportunity to do so later in the session when bills providing for increased rates will be presented to the House. I think we should give those matters very serious consideration because there is at the present time only one classification of mail that is paying its way, and that is the first-class mail, which is more than paying its way. What we should do is to raise the rates on the classifications which are being subsidized at the present time, and thus put the Post Office Department on a self-sustaining basis.

Mr. CANFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, for weeks and months last year the Federal Power Commission held hearings throughout the country in respect to

natural gas and the natural-gas industry. Their report to the Congress as a result of these hearings is long overdue.

Friday of last week, however, several days after I had introduced H. R. 2185, which would spell out their authority under the Natural Gas Act, and after similar bills were introduced by Representatives CARSON, of Ohio, and DAVIS, of Tennessee, and by Senators MOORE, of Oklahoma, and FERGUSON, of Michigan, they issued what purports to be a staff report accompanied by press releases, which in part agrees with one of the main purposes and objectives of my bill.

The report and the press releases disclaim authority of the FPC over the production and gathering of natural gas. Such disclaimer would not now be necessary had the Commission followed the clear intent of Congress as expressed in the Natural Gas Act. Production and gathering of gas in the field of its origin have always been recognized by the Congress as matters to be regulated by the several States. Production and gathering are inseparable from conservation of oil and gas, and conservation has always been held to be a prerogative of the State.

If the logic and reasoning in the so-called staff report is sound, then certainly the need for one of the main provisions contained in the legislation which the other Members of Congress and I have offered is obvious; namely, the provision specifically excluding from FPC jurisdiction the production and gathering activities and sales of natural gas.

The staff report admits that Congress never intended that the FPC have jurisdiction over these activities, but the same report likewise reveals that the Commission has in the past reached out and taken jurisdiction in questionable cases. The report goes on to say that the situation could be clarified better by administrative action of the FPC than by legislative action by the Congress.

If the FPC is to be given this power and authority without congressional direction, just how far would it go in excluding production and gathering from its jurisdiction, since it says that definite standards cannot be specified in advance of a study of the facts in each individual case? Would any responsible individual, be he producer or gatherer, be satisfied with any such proposal? Those who sell their gas to the interstate pipe lines would have no way of knowing whether or when FPC would attempt to take jurisdiction over them.

A reading of this FPC document certainly confirms the fact that Congress must specifically define the area in which the FPC may operate. My bill clearly states those limits and would by congressional mandate let the FPC and likewise the affected producers know exactly where they stand.

Assuming that the present members of the FPC understand this matter thoroughly and will seek to carry out and construe the act as Congress originally intended that they should, who can say with any certainty how long the present members of the Commission will continue to serve? Another set of Commissioners might reverse the administrative policy to which the present mem-

bers subscribe and have agreed. That very thing has happened before; it might happen again.

If the present members of the Commission are agreed, as the report would seem to indicate, that the FPC under the clear intent of the Natural Gas Act is not authorized to take jurisdiction over production and gathering, then they should have no objection whatever to having the act amended so that it will be plain and unequivocal.

It occurs to me, however, that the FPC like numerous other agencies and bureaus which have been for many years interpreting the laws enacted by the Congress in such a way as to give them the broadest possible power without restraint, merely wants to head off legislative action that would curb its power.

When the Interstate case was in the fifth circuit court, the FPC had ample opportunity to acknowledge its limitations with respect to production and gathering. It turned a cold shoulder to this opportunity.

There is only one conclusion that can be reached, and that is that the FPC wanted this broad authority so that it could be in a position to take under its jurisdiction any oil or gas operator whom it wanted to. Thus far the FPC has been quite successful in having its position upheld by the courts. Hence, I raise this question: Since the law under the Interstate ruling authorizes FPC jurisdiction over the operator of every well from which gas is destined for interstate commerce, why does it not enforce the law?

The Commission is now in this position: It must either enforce the law, bring all of the operators in under its jurisdiction, or it would certainly be guilty of ignoring the law. Should it try to enforce the law as now determined by the Interstate case, certainly the Commission will be in trouble with Congress. If it ignores the law, and just selects certain particular operators it wants to bring under its jurisdiction and lets the others go, then it is guilty of discrimination.

There is only one proper answer to all of this confusion, and that is to let the Congress write into law the standards and make sure the FPC carries out the congressional mandate. That is the sole purpose that those of us who have introduced the amendments to the Natural Gas Act have in mind. The offered amendments will do just that. Confusion and uncertainty among oil and gas producers, land owners with producing gas wells on their lands, owners of royalty interests, State officials, consumers, and the gas companies, have been created by the FPC. It now asks to be trusted to cure its own mistakes and deviations from the law. Theirs is the old familiar plea of administrative agencies for all-out authority. This leads to Government by men, instead of Government by law. That is why Congress should act quickly and spell out in no uncertain terms just what authority it intends that the Commission shall have in relation to the natural-gas industry.

Mr. CANFIELD. Mr. Chairman, I yield 19 minutes to the gentleman from Ohio [Mr. GRIFFITHS] a member of the committee.

Mr. CASE of South Dakota. Mr. Chairman, before the gentleman proceeds with his address, will he yield to me for the purpose of directing an inquiry either to him or to some other member of the subcommittee?

Mr. GRIFFITHS. I yield.

Mr. CASE of South Dakota. Is there any restriction provided in the bill upon the use of funds from the Treasury for the procurement of silver? The gentleman from Illinois in years gone by has given a good deal of attention to the matter of silver purchases. I wonder if there is a silver-purchase fight in the offing on this bill.

Mr. DIRKSEN. No.

Mr. CASE of South Dakota. There is nothing in this bill?

Mr. CANFIELD. There is nothing in this bill with reference to that at all.

Mr. CASE of South Dakota. I thank the gentleman.

Mr. GRIFFITHS. As a new member of this committee who has been sitting here for the last 4 years, I have noticed that every time one of these committees came with a bill they started handing out orchids to the chairman and other members of the committee; and it made me a little shaky. It rather got under my skin. But I have had an education. I really want to add my word to this hardworking committee and our chairman, to the Members on the minority side, the gentleman from Maryland [Mr. D'ALESSANDRO] the gentleman from Virginia [Mr. GARY] and the gentleman from Kentucky [Mr. BATES]. If you worked mornings and afternoons and nights trying to keep up with them, then you will see that you have a job. There is not much on this bill that I am going to speak about.

Previous speakers have alluded to the wealth of material appearing in the printed hearings on this bill, and I would like to emphasize that they are well worth reading. They contain some great lessons in the functions and operations of our Government. Certain testimony will certainly impress the reader with the efficiency of parts of the Government. Unfortunately, a few places show waste, extravagance, and maladministration. One of these is the Coast Guard, and some of their sorry examples have been recounted by the previous speakers.

I would like to add a little to that picture. As we all know, the Coast Guard becomes a part of the Navy in time of war, and it was only a little more than a year ago that this agency returned to the Treasury Department after its naval service in World War II—a service, let it be said, that was highly creditable and a contributing factor to victory. On page 661 of the hearings you will find a high ranking officer of the Coast Guard, Captain Richmond, referring to it as "an auxiliary of the Navy." On the same page, shortly before, he had said in answer to a question by the chairman, "not being too familiar with what the Navy is doing now, I cannot answer that directly." Captain Richmond is Chief of the Planning and Control Staff of the Coast Guard, which he calls an auxiliary of the Navy, yet he is not familiar with what the Navy is doing.

The Coast Guard is maintaining three training stations, including the Coast Guard Academy at New London, Conn. At the Academy there are 345 cadets and a staff of 51. The training schools are located at Mayport, Fla., and Groton, Conn. At the present time there are 800 men at these schools, but Captain Richmond testified that the normal enrollment would be about 400. On page 659 you will find a discussion of these schools, but you will find no cogent reason why one of these schools could not be closed down. It may be true that one school is for boot training, and one is for petty officers. Is there any reason why both groups could not be trained in the same location, under one administrative set up? No such reason could be given by the Coast Guard. Certainly 800 men could be stationed at one base without overcrowding, and without lessening the amount and value of the training received.

I asked Captain Richmond what happens to these men when they finish this boot training. He stated that they come out as apprentice seamen or seamen second class, or firemen second class, and then are sent to sea or to some shore facility. There they would be advanced, and the better ones might become petty officers, through taking correspondence courses. He does not have to attend the school for petty officers at Groton. While talking of petty officers, it might be said that the Coast Guard today has 19,500 enlisted men. Twelve thousand of these are petty officers—more than one half of the total enlisted strength. Fifteen percent of the people in the Coast Guard are officers. Sixty percent of the enlisted personnel are petty officers. Surely there should be no lack of supervision for the 25 percent that are the seamen.

Getting further into the training program, I could not help but wonder why we should have two sets of schools turning out seamen: the Navy and the Coast Guard. These men man ships that are not too dissimilar. Coast Guard cutters are very much like Navy destroyers. In the war they did the same work. Coast Guard men and Navy men both manned our amphibious craft. Coast Guard men sailed many of our transports. Unification of our armed services is a much-talked-of subject these days. Duplication of effort between the Army and Navy is to be eliminated. Why not eliminate the duplicate training programs of the Navy and the Coast Guard? Why cannot all our seamen be trained in the same boot camps? Summed up into one word, Captain Richmond's answer was "jealousy." The Coast Guard is afraid the Navy would take the best men, and the Navy is afraid the Coast Guard would take the best men. The Coast Guard today does not send many men to Navy trade schools because when they do, the Navy wants them to furnish some of the instructors. This the Coast Guard will not do. So they set up their own school. It could even be in the same building as the Navy school, although it would be more in keeping with the Coast Guard administrative practices for them to buy the building next door to set up an identical school.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. GRIFFITHS. I yield.

Mr. BONNER. The gentleman will recall that at the beginning of the war the Coast Guard had the job of training merchant seamen for the Maritime Commission.

Mr. GRIFFITHS. Yes.

Mr. BONNER. Now there is a distinct and separate training branch for merchant seamen. They could very well be taken care of by the Coast Guard under this training program in my estimation.

Mr. GRIFFITHS. That is correct.

Mr. BONNER. I wonder what the gentleman from Ohio and the Appropriations Committee will do when this additional fund is asked for an identical training program.

Mr. GRIFFITHS. Does the training of the merchant marine come under the Coast Guard?

Mr. BONNER. The request will be for a separate and distinct training program similar to the Coast Guard training program.

Mr. GRIFFITHS. I cannot see any reason why this whole thing should not be consolidated.

Mr. BONNER. I agree with the gentleman.

Mr. GRIFFITHS. I come now to the Post Office Department. The committee received another example of maladministration, and that in the Post Office Department's office of the Solicitor, which the chairman mentioned. In this instance, however, it is good to know that the error has been corrected, and that Mr. F. J. Delany, the new Solicitor intends to see that the duties of his office are carried out fully and carefully. One of the most important of these duties is representing the Post Office Department in mail-rate cases. The Post Office does not bargain directly with the carriers—the railroads and the air lines—as to rates for carrying mail. Such rates are fixed by the Interstate Commerce Commission for railroads, and the Civil Aeronautics Board for the air lines. There has been no change in railway mail rates since 1928, but just 2 weeks ago the railroads filed their first application for a change since that time, and they are now asking an increase of 45 percent. This would require about \$55,000,000 a year more. The Post Office Department will be represented, and will take an active part, in the hearings which the Commission will hold on these applications. The rate that is fixed by the Commission after such hearings will be retroactive to the date the application was filed, which was last February 14. Mr. J. D. Hardy, Deputy Assistant Second Postmaster General, made the following statement to the committee, appearing on page 143 of the hearings:

We are really at the mercy of the Interstate Commerce Commission, because whatever rate they fix, we must pay. I think we can properly anticipate a rather substantial increase.

This bill carries \$145,000,000 for railway-mail and mail-messenger service. A little more than \$112,000,000 of this

will go to the railroads. This money will go to 250 railroad companies, and covers payments on 512 railroad routes. These railroad-mail payments are discussed on pages 194 through 200.

The Post Office Department might also be said to be at the mercy of the Civil Aeronautics Board on air-mail rates. At present, air-mail routes cover approximately 77,000 miles, covering 82 routes, serviced by 20 carriers. Charts appearing on page 234 of the hearings will show air-mail postage revenues, payments to carriers, and total air-mail expenditures. In the past 10 years, revenues have exceeded payments to carriers in 7 years, including the period 1941-46. Air-mail revenues have exceeded total air-mail expenditures for the last 3 years for which figures are available. Last year, the appropriation for domestic air mail—this entire discussion is on domestic air mail, for foreign air mail is carried in another appropriation—was \$49,000,000, but the volume of mail fell far below expectations, and the expenditures amounted to only about \$33,700,000. This bill carries an appropriation for the item of \$37,000,000, which will permit an increase in volume, and such can be expected because the reduction in air-mail rates from 8 to 5 cents is increasing the volume.

The payments to air-mail carriers do constitute a subsidy. The Civil Aeronautics Act of 1938 provides that the Board shall consider the need of the carrier for mail compensation sufficient to enable the carrier to perform the postal service, and sufficient, together with the other revenue of the carrier, to enable the carrier to carry out or effect the transportation objectives in the way they are supposed to be carried out. That is, to maintain and continue the development of air transportation in the interest of commerce, the national defense, and the postal service. It is therefore indicated that the act contemplates that if the carrier is certificated, which would mean that the CAB has found it in the public interest for any of those three objectives, post-office funds will be paid out for mail service which will more than support just the mail part of it.

In other words, the post office, through this appropriation, is subsidizing the air lines. It is not within the province of the Appropriations Committee to change this, and while we are appropriating funds to carry the mail, we must also meet the rates charged by the CAB to subsidize the air lines. Testimony on this subject was obtained by an officer of the Civil Aeronautics Board, called before our subcommittee so that we might have the complete picture, and is found on page 209 of the hearings. Illuminating testimony on what we may expect in this field in the near future appears on page 147 of the hearings, and there you will note that when air lines run into financial difficulties, they look to the postal service to extricate them. Air lines are running into such difficulties today, and the post office may have to foot the bills.

We hope that the Solicitor, by actively representing the post office in rate

and certification cases, can effect some savings. It is much to be regretted that such representation was not carried out in past years.

I have cited two examples of poor administration, and before I conclude, I feel that I should point out one case where a department itself was able to recommend a reduction of more than \$1,500,000. The Third Assistant Postmaster General, Mr. J. J. Lawler, believes that he can operate his office on that much less money in 1948. It is rare that a Government official comes before a congressional committee and says, "I spent almost \$13,000,000 last year, but next year I think I can get along on a little more than \$11,000,000." If more Government officials followed the example of Mr. Lawler, the work of the Appropriations Committee would be much more pleasant, and good government would be better served.

The Third Assistant Postmaster General is the fiscal officer of the Post Office. Under his jurisdiction comes the vast Postal Savings System, which has over \$3,000,000,000 on deposit, most of it invested in Treasury bonds. There is no appropriation in this bill for this system, except indirectly in that some clerical work is required in the administrative offices. The Postal Savings System is a bank and pays its own way. Its profits in 1945 were about \$14,000,000.

The Third Assistant is also charged with the manufacture and distribution of stamps and stamped paper, and \$7,400,000 of the \$10,300,000 appropriated in this bill for his office goes for this purpose. About 18,000,000,000 stamps, 2,500,000,000 stamped post cards, and 2,100,000,000 stamped envelopes will be issued in 1948. For those who are interested in stamp collecting, I would suggest reading pages 255-259 of the hearings. The expense to the Post Office Department of running the Philatelic Agency in the Post Office in 1948 will be about \$217,000, and the receipts are expected to exceed \$3,000,000.

This Bureau of the Post Office Department also must pay out money on money orders more than one year old, for which \$600,000 is carried in this bill. This is another item where Mr. Lawler suggested a savings, even going so far as to tell the committee that the decline in redemptions had been so great since the original estimates were prepared that a sizeable reduction could be made in the estimates. Money orders were used as currency and savings during the war, particularly by troops abroad, and the decline in this activity permits the contemplated savings.

The other item completing the Third Assistant's appropriations is indemnities for loss of registered mails, and this will call for \$2,300,000 in fiscal 1948.

I may say that with the possible exception of two witnesses we had before us, every single, solitary man wanted to do the very best job he could whether in the Treasury Department or in the Post Office Department. I believe Mr. Hannegan would rather go down in memory as the greatest Postmaster General than as the greatest chairman of a political party.

But, you know, somehow or other you cannot get quite to the root of it, and if this Congress could work out some scheme to lay before those bureaus and say that within 6 months from now they must come up here with specific recommendations, and then make them follow that policy, then I think we will have a better chance of balancing the budget.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GRIFFITHS. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman quoted the record on page 147, to show that the postal revenues for airmail were \$81,237,389, and that the expenses were \$49,937,041, showing excess revenues over expenses of \$31,300,000. Does the gentleman call that \$31,300,000 excess of revenues over expenses a subsidy?

Mr. GRIFFITHS. I call it that in this way: According to the law, if you get a certificate to run an airline, we will say, between points A and B, and you lose money, you can go to the Post Office Department, and they will pay your deficit.

Mr. HINSHAW. I was asking about this \$31,300,000. Some people seem to have the idea that that is a subsidy to the airlines. Actually it is a profit to the Government, is it not, over what they pay the airlines, for the carrying of the mail?

Mr. GRIFFITHS. What they receive over what they pay may be a profit, but in certain cases they have had to go beyond and pay for more than they carried.

Mr. HINSHAW. The Committee on Interstate and Foreign Commerce, of which I am a member, voted out a bill from the committee a couple or three years ago, that did not reach the floor, which indicated quite clearly that in the interest of national defense it was advisable to operate certain routes not at a profit, and I am speaking now of mail profit. Those routes were operated with a very small mail load for the purpose, I suppose, of giving a reason to install certain navigational aids, landing fields, and so forth, used and useful in the national defense and, likewise, have served national defense in days past. Now that, we recognize, is not a profitable business for the Government. On the other hand, no one yet has made any comparison of the actual value of the service performed in carrying the mail by the air lines to the cost of doing that service that the air lines undertake. Now, the value of the carriage of the mail should have some reference ordinarily to the cost of doing business, should it not?

Mr. GRIFFITHS. I will say to the gentleman from California, yes, insofar as I really believe in it. Possibly there may be some other way, because we must have the air routes and our air transportation, but I am quite sure that we should hold the Post Office Department responsible for the deficit that that might result in.

Mr. HINSHAW. Of course, the Post Office Department was the department of Government that really instituted the air-mail system and called upon the public to provide that service, and they con-

tinued to call upon the public to provide air-mail service.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman from Indiana [Mr. SPRINGER] such time as he may desire.

Mr. SPRINGER. Mr. Chairman, during the general debate upon this pending measure, H. R. 2436, it is my desire to commend the Appropriations Committee, and the subcommittee which has handled this measure, for the sound and constructive reductions that have been made in this bill. The very fact that a decrease of \$897,072,750 is made below the 1948 estimates will be heartening to the people of this country. These appropriations have been mounting higher and higher for a long time, and I feel confident that this reduction, made in this measure, will be reassuring to the people, that we have started in the right direction—in the direction of economy in our Government.

The fact is, Mr. Chairman, that the appropriations heretofore made have been in such staggering amounts and they made possible the addition of many, many more Government employees, thereby increasing the pay roll in the departments here involved, has caused the people—the taxpayers of the country—to abandon all hope that their own Government would, at any time, make a firm resolve, and keep it, to reduce the Federal spending. Therefore this measure which is now presented will be hailed with acclaim by the people of the Nation as the first step taken in the right direction—and that direction is toward the reduction of the Federal spending of the taxpayers' money. I mention this fact because the people have watched the mounting appropriations, in the many and various departments of Government, until they were appalled by that apparently reckless abandon on the part of the majority which were in power before January 3, 1947. Now the change has occurred—and we find that this particular appropriation is reduced, and the House of Representatives has taken this step to assure that there will be a reduction in the fund allowed for spending and also that the needless and useless employees in those departments will have to go. This has a wholesome effect throughout our Nation, because the people are bowed down under the burden of taxes, and this reduction—together with many other reductions that will surely follow—will reassure the people that the tax burden will be readjusted and that their burden of taxation will be relieved insofar as possible.

Mr. Chairman, may I subscribe wholeheartedly to this necessary change in the policy of our Government, at this time. We are faced, on every hand, with demands for aid. Europe waits for our money with open hands, for almost every claimed emergency. In many instances we have been gullible, and very generous—responding to almost every demand. The end of that road has been reached, and now we must look, to some extent, to our own country and to our own needs, and the greatest factor that we can possess is the fact that we have

made our own Nation both sound and strong. That can be accomplished in but one way, and that one way is by the building and development of a strong nation financially—one which can cope with any and every emergency. A weak nation—or any nation which is overburdened with debt—or a nation which has no reserve in the hands of its people—faces a crisis if and when she meets an emergency. While we do not contemplate any emergency, yet we must prepare to meet the future, and that can be best accomplished when we are sound and strong as a nation. It is my hope that those in charge of all future appropriations will guard the Treasury of the United States, and by so doing they will guard the people—the taxpayers—of this Nation. That the reserve left in the hands of the people will aid in the development of the progress in our Nation, and such a policy will revive the ambition to go forward in the arts and trades in civil life during the postwar period, all of which will aid civilization generally in the march of progress as we desire to witness it.

Therefore, Mr. Chairman, I merely rise to commend all those who have participated in this very deep cut in this appropriation bill. Our Government must get along without spending all of the resources in our Nation in time of peace, and the needless and unnecessary employees now upon the pay roll must go. That is the wish and the will of the people, and that is the wish and will of a majority of the Representatives of the people serving them in the National Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. D'ALESSANDRO. Mr. Chairman, I yield 15 minutes to the ranking minority member of the Committee on Appropriations, the distinguished gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the efficiency of an artisan is determined largely by the excellence of his tools and the success of an executive depends to a great extent upon the competence of his staff. The Committee on Appropriations is no exception to the rule. We have had a staff of exceptional qualification and ability which has cooperated to produce the greatest volume and quality of work. So it is a matter of deep regret to us today that we lose, with the final disposition of this bill, one of the highest-ranking members of that staff, Jack McFall, who appears here on the floor with the committee for the last time.

Mr. McFall has been in the service on the Hill for almost a quarter of a century. He has been with the Committee on Appropriations for something like 19 or 20 years. His work with the committee was interrupted during the war, of course, by his naval service abroad. He went across as a naval lieutenant and came back as a naval commander with a record for creditable and distinguished service. He resumed his place with us and has been with us since that time but leaves us this month to enter the diplomatic service, for which he is particularly qualified.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I think the distinguished former chairman of the committee will agree with me when I say that Jack McFall not only looks the part of a diplomat but acts the part.

Mr. CANNON. That is self-evident. I am glad to find myself in complete agreement with our chairman on this as well as on many other matters under discussion this afternoon. And may I take advantage of the opportunity to felicitate the chairman on the admirable way in which he has handled the hearings on the bill and his very effective presentation of the bill both in the committee and in the House. I have no doubt that he, like the rest of us, has considered himself fortunate in having the benefit of Jack McFall's counsel and advice on many of the intricate problems carried in the bill. We regret to see him go. We have offered every inducement to keep him. We have offered him the highest salary ever paid any man on the staff, up to the beginning of this Congress. But his heart is in the diplomatic service, and the tact, diplomacy, and capacity which have characterized his work for the committee will stand him in good stead in his new field. So, reluctantly and regretfully, we have consented to let him go, although this is a most inopportune time for us to dispense with his services. I am certain not only the committee but the House join with me in wishing him Godspeed and good luck and the continued success I am certain he will have.

Mr. Chairman, this bill is notable in another respect. Never before has an annual supply bill been reported to the Congress so late in the session. Here we are approaching the ides of March, and this is the first of the annual bills called up in the House for consideration. In the history of the Republic, since the administration of President Washington, never before has the first major appropriation bill been reported so late in the session. By this time last year we had considered and passed four of the annual appropriation bills, the independent offices bill, the agricultural bill, the civil functions of the War Department bill, and the Treasury and Post Office bill. Of course, for many years we brought in and passed all appropriation bills before the constitutional date of March 4. I appreciate the fact that there has been delay incident to the organization of the committees. But we have had notice since November 5 of the situation and, in any event, the delay is without precedent.

Mr. Chairman, this bill is extraordinary in another respect. It is the first and the most significant indication as to the intention of the leadership of the House and the Congress to carry out the great and laudable program of efficiency, retrenchment, and economy which was so strongly emphasized in the campaign last November.

It is immaterial, my friends, whether the sum named in the resolution reported out by the Joint Legislative Committee on the Budget is \$6,000,000,000 or \$4,500,000,000. The cut eventually proposed in the resolution, and agreed

to by the two Houses, means nothing unless corresponding and proportional amounts are cut from the supply bills as they are presented to the House. For some months now the attention of the country has been centered on the overall cut to be made in congressional appropriations and in recent weeks the report of this bill has been eagerly anticipated. Every statement emanating from the leadership of the House indicated vast reductions in amounts and wholesale dismissals of personnel. We waited with bated breath. And here, at last, is the long publicized bill. Here we have the first opportunity to judge the sincerity of these protestations of economy and retrenchment. Here is the first installment of the \$6,000,000,000 reduction and the million and a half separations from the Federal pay roll.

What does it propose? Why, Mr. Chairman, it is unbelievable. Instead of the huge cuts we have been led to expect, this bill actually cuts the budget less than we cut it in the last session—when we were still on the way back to a peacetime status.

Here is the largest appropriation bill of the session. It comprises in round figures, practically a third of the budget. If we ever propose to make a reduction in the expenses and pay rolls of the Government here is the place to make it. If they cannot cut any part of \$6,000,000,000 out of a third of the budget, how can they cut \$6,000,000,000 out of the remaining two-thirds of the budget?

As has been said, this bill cuts the estimates for the Post Office Department only \$14,000,000. Why, we cut the Post Office budget last year \$19,000,000. And that was not the most significant feature of it. They are cutting the \$14,000,000 this year from a budget which exceeds \$1,500,000,000. Last year we cut \$19,000,000 from a budget of only \$1,200,000,000.

My good friend, the distinguished gentleman from Illinois, says: "Well, last year we had some deficiencies."

In view of that statement, the question naturally arises as to whether further appropriations are contemplated if this bill fails to provide for the Department to the end of the fiscal year? Is a choice to be made between a deficiency appropriation and discontinuation of service? That is the alternative. Will more money be provided or will delivery of the mail be stopped?

But let us not lose sight of the primary issue. Our objective here is to deliver the first installment of the promised six billion cut in the budget, and the first contingent of the million—some promised a million and a half—dismissals from the swollen Federal pay rolls. Where are they? Where are the billions of cuts and the million of dismissals—or any part of them.

You cannot point out a single dismissal in the entire Post Office Department.

If the first and largest appropriation bill to be reported to the House is to be taken as a fair sample of the redemption of these campaign pledges of retrenchment, the country is headed for a sad disillusionment by the time the last bill of the session is reached.

My friends, I am distressed and disappointed. I had hoped to cooperate with the House leadership in real economies—in the liquidation of all wartime expenditures and the reduction of the budget to a peacetime basis. I deplore and deprecate the reckless and profligate extravagance of these spenders who now refuse to cut the budget on a \$1,500,000,000 estimate as much as we cut it last year on a \$1,200,000,000 estimate.

Mr. GORE. Will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Tennessee.

Mr. GORE. Do I understand that in this bill which provides for 490,000 bureaucrats in the Post Office Department not one bureaucrat is cut off?

Mr. CANNON. Not one single bureaucrat. Not a single Communist. Not a single boondoggler. Of all the teeming hordes of parasites and chiselers and loafers and fan dancers and subversives we were told last November were infesting the Departments of the Government, not a single one is being separated from his soft job in the entire Post Office Department. Every one of them is being retained by this bill—at the largest salaries ever paid in the history of the Government.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANNON. In just a moment. If the gentleman will permit me to conclude my statement. Even such purported economies as are reported in the bill are not economies at all. For example the \$800,000,000 in tax refunds they propose to "save" here cannot be construed as a saving by any stretch of the imagination. Let anyone show us where it will save a penny.

Mr. BATES of Massachusetts. Will the gentleman yield there?

Mr. CANNON. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. The gentleman is a member of the Appropriations Committee and I believe the senior member of the minority. I presume the gentleman sat in the hearings at the time the subcommittee made its report. Did the gentleman make any effort in the committee to reduce any of the bureaucrats he is speaking of? Where can these cuts be made?

Mr. CANNON. My friend is certainly aware that I was completely overshadowed by the overwhelming majority which completely controlled the committee. I regret to say that under the circumstances I was merely a bystander standing by, an onlooker looking on. I was for the economy program. I was for retrenchment. I was for reduction. I have repeatedly said on this floor that I favor reducing the budget more than \$6,000,000,000. That is not an idle statement. It is borne out by our record in the last Congress, in which we not only excised \$64,000,000,000, but cut the estimate on this identical appropriation \$19,000,000 whereas this year you propose to cut it only \$14,000,000.

You say you are saving \$800,000,000 on tax refunds. You are not saving a thin dime. Every penny of it must be paid. Nobody denies that. It is the law. If a man overpays us on taxes, we must return the surplus. We have no alterna-

tive. So, your proposal here is merely to defer the inevitable day of settlement.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. DINGELL. I think the only reason that was put in the report is because it is a big figure, even if it does not mean anything.

Mr. CANNON. Exactly. Let us examine it a little more closely. They say the amount required for the purpose was overestimated.

If in the past this item had, from year to year, been overestimated, such a charge might be plausible. But what is the history of the estimate? Last year the Department, in estimating the money required for this item, underestimated it. The year before, in estimating money for the item, they also underestimated it. For every year from the beginning they have consistently underestimated it. I was told by representatives of the Treasury Department, when they came up here the other day to testify before the committee, that, in their opinion, they had again underestimated it.

Who is entitled to credence in such matters, departmental officials who have had many years of experience in the administration of the law—and who have consistently underestimated it—or Members of the House who have taken a cursory glance at it and claim it has been overestimated? Permit me to refer to the opinion of an impartial commentator on that point. I read from an editorial in this morning's Washington Post—

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Just as soon as I read this brief paragraph.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CANNON. I read from an editorial in this morning's issue of the Washington Post:

The amount of overpayments next year is at best only an informed guess. But we are disposed to place more reliance on the guesses of Government experts than on the opinions of the House Appropriations Committee. In any event, a mere cutting of the estimates of prospective refunds will not save money. It will simply necessitate passing a deficiency bill if the lower estimates prove inadequate and probably delay restitution to taxpayers. Hence, we conclude that Democratic charges of "budget legerdemain" are well warranted.

This is a fair sample of the opinion of the public and the press. Up to this time no editorial comment has been received taking issue with this point of view.

The postponement of the day of accounting is not an economy. It will not effect a saving of money or result in any other advantage to the Treasury or the taxpayer.

On the contrary it will result in serious disadvantages. The delay in making the appropriation will not only disorganize the very satisfactory system in use for many years but it may delay the payment of money due taxpayers who are entitled to a refund. Conceivably the amount provided in the bill may not be

sufficient to take care of payments until a deficiency bill can be passed. It might not only discommode the taxpayer but it would involve a heavy expense to the Government in interest charges. Amounts overdue draw interest at the rate of 6 percent. If, as the Washington Post suggests, the Treasury's estimate should prove correct and there should be a consequent delay of but three months in providing for the deficit, the provision in the bill would add to—not take away from—the budget, \$12,000,000, and \$4,000,000 more per month for each additional month of delay.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my colleague from Missouri.

Mr. ZIMMERMAN. Does the gentleman mean to tell this Committee today that if we do not pay the refunds that are found to be due that we are going to have to pay these men back interest on it?

Mr. CANNON. Certainly; interest at the very substantial rate of 6 percent.

Mr. ZIMMERMAN. Six percent? Is that economy?

Mr. CANNON. That is the brand of economy carried in this paragraph of the bill.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. COUDERT. The distinguished former chairman of the Committee on Appropriations has heavily belabored the point of the estimate on refunds. Does the gentleman contend that the Appropriations Committee is not within its legitimate and proper right in making such estimate for itself and substituting its own estimate for the Bureau of the Budget's estimate? Or would the distinguished gentleman from Missouri have the Appropriations Committee as a matter of principle and without further consideration merely accept the estimate of the Budget Bureau even if in its own best judgment they disagreed with it?

Mr. CANNON. They should accept the estimate unless they have evidence on which to base a contrary opinion. No such evidence appears in the hearings.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I am glad to yield to the distinguished chairman of the subcommittee.

Mr. CANFIELD. Does the former chairman of this committee contend here and now that the Treasury made this estimate on tax refunds?

Mr. CANNON. Yes; this estimate was made by the Treasury Department. It has been made by the Department for many years.

Mr. CANFIELD. I beg to disagree with the gentleman. The estimate was made by the Bureau of the Budget, not by the Treasury Department.

Mr. CANNON. The system under which the estimate was made has been in effect—

Mr. CANFIELD. The estimate was made by the Bureau of the Budget, not the Treasury Department.

Mr. CANNON. The Treasury Department made the estimate and transmitted it to the Bureau of the Budget. All departmental estimates are submitted through the Budget Bureau. But that is beside the point. The question is not what governmental agency made the estimate but whether the estimate is accurate.

And the prime consideration is not who made the estimate but whether eliminating the appropriation in this bill will save money. The report does not claim that this postponement of funds for tax refunds will result in the slightest saving. No one in the entire debate here on the floor today has contended that it will save a penny.

And in the meantime while the committee is shadow-boxing this \$800,000,000 item out of the ring to await the next bout—in which it is certain to register a knockout against the committee's claims of economy—the committee is failing to make even a modicum of the cut which would have to be made in this bill in order to contribute its part to the proposed cut of \$6,000,000,000 in the budget and a million and a half reduction in departmental personnel.

Mr. Chairman, I shall vote for whatever legislative budget is finally reported out of conference, not with any idea of committing myself to the ceilings ultimately determined upon, but because an affirmative vote is an evidence of intent and purpose to retrench to the minimum, and because retrenchment is in keeping with the consistent and collective policy we have followed on this side of the aisle through the last several sessions of Congress; not arbitrary cuts unsupported by evidence; not cuts in the nature of deferments, made to establish an economy record for political advantage, but cuts in the public interest which will result in lasting lessened demands on the public purse.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, I want to call the attention of the committee to an item in this bill, found on page 23 commencing with line 18 and running through to line 12 on page 24, having to do with ceilings on the price of typewriters bought by the Federal Government. I have the highest regard for the membership of this committee and for my colleagues in the House and I feel very sure that if they had had the time to devote to looking into this particular detail that they perhaps would like to have had, this language would not be found in the bill. If I fail in the 10 minutes available to me this afternoon to convince them that they should join with me in a move to strike this language from the bill, I can only conclude that I have not properly presented the matter to them and to other members of this committee.

I appeal this afternoon to the fairness of my colleagues. This matter of setting a price ceiling on typewriters bought by the Federal Government is an old custom established by the Appropriations Committee first in 1913. I am

advised that it would be possible to make a point of order and have this language stricken from the bill due to the fact that it extends the limitation not only to this bill but to any other act; however, I would rather present the matter on its merits and hope the committee will decide not to continue this unfair practice which in the next year or two may prove detrimental to some departments of the Government. Testimony will be found in the hearings on pages 866 to 876 indicating quite clearly that the manufacturers of typewriters want to be fair in their dealings with the Government. Different proposals were made. In substance they all were agreed that they wanted to sell typewriters to the Federal Government at as low a price as they would sell to any other large users of typewriters. In fact, some said they would sell typewriters at a lower price to the Government than to other purchasers of typewriters.

This ceiling of \$77 was set last year. In 1922 the ceiling was set at \$70. I believe in the last Congress they were given a 10 percent increase. A standard typewriter—Royal, Underwood, or L. C. Smith—sold in 1941 for \$115.50. That same typewriter today is selling for \$142.50. Still there is no increase provided for in this bill. Every time I have brought this to the attention of the subcommittee, and I have brought it to the attention of the subcommittee on several occasions since 1939, I have been told it is a complex problem, they do not know exactly what the cost of typewriters are, but they say we are going to look into the matter and next year we will deal with it on the basis of our information. Someone may contend today or tomorrow that the thing to do is to leave this in the bill, then look into the price question later. In all sincerity I submit that the fairest thing to do is to take the limitation out of the bill. Let the Government purchase typewriters as they purchase everything else. Then in the year to come, if they can give some justification for this limitation, put it back in next year. If they bring in a justification, I certainly will join in restoring the ceilings.

Is there any more reason why the Government should purchase typewriters by putting a ceiling in an appropriation bill than it should say: "Well, a Ford automobile is selling for \$1,200. It ought to be sold to the Government for \$700. We will put that limitation in the bill." There would be just as much reason for that. No Member of this House can stand up here on the floor today and tell us what it costs to manufacture these various brands of typewriters.

There is not a monopoly on typewriters. There are 8 or 10 companies manufacturing them. No one company is big enough to fill the needs of the Federal Government. According to the hearings, the Government will purchase from 40,000 to 50,000 typewriters in the next year.

What has happened because of this limitation? One company, the Royal Typewriter Co., the home office of which is in my district, reluctantly advised the Government that they can no longer supply typewriters at this ceiling price.

The L. C. Smith-Corona Co. said, "We can only stand selling 500 typewriters to the Government at that price." The Underwood Corp. says, "We can let you have 5,000 at that price." They are selling these typewriters to the Government under the limitations of this act definitely at a loss. That loss is being made up and must be made up if they are going to finish the year in black ink, by putting that loss on the business community or others who buy typewriters.

I want to call the committee's attention particularly and urge that between now and tomorrow afternoon you read a few of the short statements that appear in the RECORD, the first one being on page 870.

On page 868 you will find a letter addressed to the Honorable LOUIS LUNLOW, signed by the vice president of the Royal Typewriter Co., which gives you the historical background of this matter.

On page 870 there is testimony of the vice president of the Remington-Rand Co. dealing with this subject. He suggests that instead of this limitation, if there must be some limitation put in, that this language be proposed:

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1948 for the purchase within the continental limits of the United States of any typewriting machines at a price in excess of that currently charged by the manufacturer for such machines when sold to users of such machines in large quantities.

Bear in mind that there is no limitation written into the law for the purchase of adding machines, calculators, or even electric typewriters. There is a ceiling on noiseless typewriters, and one of the reasons that every office on the Hill cannot have a noiseless typewriter is that the companies simply cannot sell them at the ceiling. An Underwood noiseless sells in the market at \$204. In this bill there is a ceiling of \$83, which is less than the cost of production of an Underwood noiseless typewriter.

I think that must be apparent to every Member of the House, bearing in mind simply the increases in wages and materials in the typewriter industry that have gone into effect since 1939 alone. The Department surely does not make out a case to justify this limitation or this ceiling, although the Treasury Department does ask that it be continued.

On page 875 Mr. LEFEVRE inserts a statement in the RECORD in which he suggests:

In determining what discount should apply to Government sales it would be desirable to require each company to submit data that would aid in reaching an equitable figure. Such data might include their present rates of discount to commercial users and schools, what advertising and sales expense they allocate to Government sales, what savings in distribution costs are involved in Government sales and whether such costs of sales to the Government are susceptible of reduction.

If that is going to be the policy of the Government, why not do it on everything? Why not say we will cut the cost of toll calls; they are too high, so we will put a limit in our appropriation bill and say we won't pay more than 50 percent of the advertised toll price? We do not do it on any other commodity,

and it is an important item to those companies. In 1932 the Federal Government spent \$400,000 to purchase typewriters that year. In 1941 the Royal Typewriter Co. alone sold \$3,500,000 worth of typewriters to the Federal Government. That is important to those who work in the Royal Typewriter plant and to the company itself.

I am sure that this ceiling can be taken off without causing any inconvenience or any unnecessary increase in the price. As was said on one occasion when this matter was before the Congress, "We are simply legalizing a trust in the typewriter industry; we are making them do something that is unlawful for them to do." They could not act together themselves and agree at a price at which they will sell typewriters and we, by law, make them sell them at a predetermined price.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I believe there is a law establishing ceiling prices on automobiles purchased by the Federal Government. Notwithstanding that fact, the committee indulged in many of the facts presented by the gentleman from Connecticut this afternoon. We know how deeply concerned he has been over this problem for many years. At the same time he must appreciate this fact: This language came to us from the Bureau of the Budget. The language has been in the appropriation bill for some 20 years. We, of the committee, did not feel that we were equipped, and did not have the information, to pass properly on the request of the companies at this time, so we have ordered our investigating staff to go into all phases of this situation so that when the 1949 bill comes before us we will be able to do something and take proper action.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MILLER of Connecticut. In reply may I say this, that I can show you in the Record of previous debates on this bill the very same promise, that it will be looked into the next year.

Mr. CANFIELD. I must disagree with my friend and colleague from Connecticut. This is the first time we have had investigators associated with the Appropriations Committee that could be called on to do a job, and they are on the job now.

Mr. MILLER of Connecticut. Is there any reason why the Congress should determine the price at which the Government shall buy typewriters any more than any other commodity the Government buys? Why pick this particular item?

Mr. CANFIELD. My only answer to the question propounded by the gentleman from Connecticut is that the Treasury insists that there are reasons. Personally I am inclined to be sympathetic to the proposition advanced by the gentleman from Connecticut this afternoon,

and I am going to try to help him and others pursuing this problem and do something about it.

Mr. MILLER of Connecticut. I appreciate that. I know the gentleman will find out. Certainly they have not made a case in this hearing to justify ceilings.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from North Carolina.

Mr. DURHAM. May I say to the gentleman that neither the Committee on Appropriations nor anyone else wants to set up an OPA. I am glad the gentleman brought this up here. I think it is time we should consider the matter. Are we going to continue an OPA by an appropriations act? I think it is very unwise.

Mr. MILLER of Connecticut. The Appropriations Committee is not as generous as the OPA. OPA gave them a 14-percent increase in their ceiling price a few months before it went out of existence. We are holding them to 10 percent above the 1922 price.

Mr. DURHAM. I meant to agree with the gentleman.

Mr. MILLER of Connecticut. I know the gentleman does.

With all due respect to the committee, and it will be no reflection on the committee, I do feel compelled to offer tomorrow an amendment to strike this language from the bill and submit it to the judgment of the House. I say this with all due respect to my colleagues and with deep appreciation of the assurances of the chairman of the subcommittee that this subject will be further investigated.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the matter of bringing about economy in any department of the Government finally gets down to the very difficult details involved in the carrying on of that department. It seems to me that this subcommittee have applied themselves very diligently to that task. The facts I am about to present to them probably should have been presented to this subcommittee at an earlier date, but it was impossible for me to do that because shortly after this information came to me it was necessary for me to be gone from the city of Washington. I mention it because it may have some value for the committee that appropriates for the Government Printing Office, as well as the legislative committee, in reference to these matters.

I have a letter here from the publisher of a newspaper in my district in reference to some printing being done by the Government. This printing is ordered through the local post office. This publisher writes me as follows:

A customer of ours desired the stamped window envelopes for use in his bookkeeping department to send out statements. Since he was one of our regular customers and desired us to do all his printing, he asked us to secure the envelopes and print them up for him, with his name in the accustomed style, in a corner card.

Then this publisher goes on and tells of the prices quoted by the post office:

We found that the charge would be \$33 per thousand, for these printed prestamped window envelopes. Now the value of the stamps would be \$30, which means that they would charge \$3 for the window envelopes and for printing them. It so happens that we are large buyers of window envelopes, buying in quantities of not less than 50,000, and the cost to us is \$2.60 a thousand for window envelopes; which means that Uncle Sam is in competition with us for printing envelopes for 40 cents a thousand. Now if the Government can make money printing envelopes at 40 cents a thousand, they run some plant, some place, more efficiently than most Government businesses are operating. Maybe that kind of business is contributing somewhat to this deficit which we are reading about, besides beating some people out of a certain amount of business.

Mr. Chairman, why should the Government of the United States do printing at a loss? It but adds to the burdens of the taxpayers. Why should the Government compete with our hometown newspapers? The newspapers are essential to our American system, they are unselfish public servants and such Government competition is unwarranted.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I had intended to speak on this particular matter tomorrow, but inasmuch as there is the opportunity to address the Committee at the present time I have made a note of some figures which I would like to call to the attention of the Committee.

The chairman of the subcommittee in his opening remarks referred to the combining of the functions of three different subdivisions into one subdivision of the General Counsel's Office. Those divisions were Tax Research, Tax Legislative Counsel, and Division of Research and Statistics, all of which would go into the General Counsel's Office. From the report, Mr. Chairman, I notice that the appropriation for Tax Research in 1947 was \$175,000. That is cut out entirely. The appropriation for the Tax Legislation Counsel is \$89,000, and that is cut out entirely. The Division of Research and Statistics appropriation for 1947 was \$165,000, making a total of \$429,000 which is entirely eliminated from this year's appropriation recommended in this bill. I would like to know from the subcommittee as to whether or not it was the intention of the subcommittee to eliminate the services of those three divisions from which every cent has been taken away in this bill.

Mr. CANFIELD. Mr. Chairman, if the gentleman will yield, I think I can allay his fears immediately. We allowed the General Counsel \$250,000 in addition to his regular allowance to take care of these units under his jurisdiction. That is a quarter of a million dollars in addition.

Mr. EBERHARTER. Is that set out any place in the bill?

Mr. CANFIELD. Oh, yes; in the report on page 6.

Mr. EBERHARTER. It does not say specifically that it is not intended that these agencies are to be abolished. It

does not say, "So much of the funds shall be used by these three divisions." I call attention to the fact that the Tax Legislative Counsel has been in operation since at least 1922. That Division is composed not completely of lawyers, but it is composed of economists, actuaries, and statisticians. Their functions have nothing whatsoever to do with the General Counsel's functions. I am just afraid the committee did not go into this subject sufficiently to justify eliminating these figures.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. CANFIELD. If the gentleman will read the hearings between tonight and tomorrow noon, I venture to say he will agree with us that the job can be done. All I ask is that the gentleman read the hearings on these separate units and then review our incorporation of them in the Office of General Counsel. I know something of the gentleman's fairness, and I believe the gentleman will agree with us that the job can be done. Here, of all places in this bill, is where a saving can be made and should be made. I am sure of that.

Mr. EBERHARTER. I am glad to have the gentleman's assurance. I just wanted to know that it was not the purpose of the subcommittee or the general committee or the Congress that the money heretofore appropriated for these three divisions will be wiped out; that it is intended that they should function. I understand the Commissioner of Internal Revenue said he had never used the Tax Legislative Counsel. That is a position that is composed almost entirely of economists, statisticians, and actuaries. The General Counsel's Office was never called upon to furnish the information that that Tax Legislative Counsel furnished the Congress. It is only because they were in a position to furnish the Congress with the particular information they needed with respect to the formulation of proper tax bills that we have been able to get the kind of revenue we have been getting.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. CANFIELD. The Commissioner of Internal Revenue said he got more and better information from his own legal service than he got from any other department; he never consulted those divisions.

Mr. EBERHARTER. That is the point I make, exactly. The very word "legislative" means that it was set up for the purpose of furnishing Congress with information. So why combine it with the General Counsel's Office, that knows nothing of its responsibilities or duties.

Mr. CANFIELD. That is a part of the General Counsel's duties, to do just that same thing. If you will read the testimony of the General Counsel and the testimony of Mr. Surrey and Mr. Shere I cannot help but feel that the gentleman will agree with the committee.

Mr. EBERHARTER. I wish we could get together so that there is a clear understanding that these divisions are not to be abolished. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I take this time to inquire for my own information, and I think the information of many people who are interested in the subject, as to just exactly what the set-up is going to be under this appropriation bill of the Coast Guard and its activity, which they presently call their lifeboat stations, but which at one time was called their lifesaving service.

May I say at the outset that it is not my intention to comment one way or the other on whether or not the committee has granted to the Coast Guard a sufficient amount of money. I intend to support this committee as I intend to support all of the appropriation subcommittees in their most difficult task of cutting down our Federal expenditures.

I trust they will cut all appropriations to the absolute minimum. I will be with them a hundred percent in that endeavor. The only thing I take this time for is to find out just what the situation of this particular activity is going to be in order that the people concerned may know what is going to take place. I will tell you one reason why this is of particular concern to me. The district I represent has at least 200 miles of bay and lake coast line. We have there at the present time four lifesaving stations or lifeboat stations that have been maintained, and maintained historically, by the Coast Guard to give protection to pleasure and commercial shipping that may be in distress in those waters. Last June we had a very severe accident in which four people were drowned. It developed that the Coast Guard facilities were practically nonexistent. They had the facilities there but they were undermanned and they could not respond. In other words, by the very fact that these stations were there the people were lulled into a false sense of security. If it is going to be the case this year that these stations are not going to be properly maintained we want to know about it so that, if necessary, these people can take adequate steps for protection to insure safety to pleasure and other craft using these waters. As is generally true of most agencies when something like that happens and they are unable to give the service that is expected of them, they blame it on Congress and say: "Well, we did not have enough funds."

Let me call your attention to a letter I received when I investigated the matter. This is a letter from Admiral Farley, of the Coast Guard. He says he is deeply concerned about the personnel situation of the service, but he says that due to rapid demobilization and resultant deployment, plus the increased demands of other Coast Guard activities and insufficient funds to provide the necessary number of personnel to fulfill

the requirements of the Coast Guard, a serious personnel shortage developed. That is the reason.

Now, have we given them enough money?

You will recall that last year after the Appropriations Committee made an appropriation to the Treasury Department, including Coast Guard facilities, the Coast Guard came back and said they had to have a supplemental appropriation for the lifeboat stations. I am inclined to think that what the Coast Guard has been doing is to reallocate their funds to probably more romantic and newer fields of activity rather than to the historical obligations they should maintain. They should maintain these lifesaving stations under the highest priority.

I want to know if the committee can tell me whether the bill this year will carry sufficient funds in order that these lifesaving stations can be maintained?

Mr. CANFIELD. I salute the gentleman from Wisconsin on the stand he has taken. He talks as though he were a member of the subcommittee handling this bill, because what we are doing here, as I said earlier in the afternoon, is to get the Coast Guard back home to take care of all those facilities the gentleman has mentioned this afternoon. We have provided in this bill sufficient moneys for them to do all of that work. We have also given them a great deal of elasticity in the handling of these moneys. If the Coast Guard keeps faith with the Congress appropriating funds in this bill there will be no difficulty about manning the stations the gentleman has in mind.

Mr. BYRNES of Wisconsin. I thank the chairman of the subcommittee and thank him for his assurances. I appreciate the position that he and his committee has taken on this matter. I also applaud the action taken by the committee in its report in saying that they have assigned to the Coast Guard itself the task of assigning priorities to its various projects. But I was wondering whether the committee had pointed any finger at the lifesaving service? I believe this may be necessary, because I am inclined to think, from their past activities, that that is not one of the activities they would like to give priority to. They seem to be more intrigued by some of their newer activities. I think some positive direction should be given them that these lifesaving activities should be given priority recognition. I am very pleased to have the assurance of the chairman of the subcommittee that he is confident that the Coast Guard, if it keeps faith with the Congress, can and will give proper recognition to its duty to properly maintain the lifeboat stations.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I would like to take this time of the Subcommittee of the Committee on Appropriations for the Post Office Department and the Treasury Department to have a discussion, if I may, on certain important matters in relation to aviation,

which is under the legislative jurisdiction of my committee. In the first place, it is noted from the hearings that the heavy mail carriers by air receive a mail pay of about 45 cents per ton-mile and that the light carriers receive about 60 cents per ton-mile. If you recognize that a ton is the equivalent of 10 passengers, allowing 160 pounds per person of body weight and 40 pounds of baggage, you can see that by dividing the 45 cents per ton-mile by 10 you come to 4½ cents per passenger-mile, which is equivalent to the 45 cents per ton-mile rail rate. That means that the passenger and the mail both are paying approximately the same rate for their transportation.

Mail, as you know, has a priority over the passenger. You will remember that during the war when travel was exceedingly heavy if the mail exceeded the capacity of the mail compartment in an aircraft, the passengers had to give up their seats and the mail was placed in the seats of the passengers and strapped down. In other words, the mail goes through first regardless of the convenience of the traveling public. I say that to you because it must be realized that while mail has a priority the rate paid for its transportation is on a par with the rate paid by the passenger. There are other factors to be considered, of course. But the controlling factor in nearly every case is the value of the transportation. There is very little, if any, subsidy in the air-line mail pay.

My committee has recognized the need for the extension in certain areas of certain air routes. We recognize that those routes are not economical, either from the standpoint of the carriage of passengers or of mail; however, it is highly desirable that those routes be covered by aircraft for the establishment of the route; first, so that it may be available to the purposes of national defense, and, incidentally, for the service of whatever people may be at the other end of the route or on the route. It is not anticipated that those routes necessarily will be commercially profitable, although it would be hoped that in due course they would become profitable. So we are not particularly concerned when you speak of the subsidization of certain air-mail routes.

Unfortunately, the subject of air commerce comes under the purview of at least four committees of the House. There is this Subcommittee on Appropriations for the Post Office Department and Treasury; there is the Subcommittee on State, Commerce, and Justice, which has to do with the Civil Aeronautics Administration and the Civil Aeronautics Board; and I believe also that the Independent Offices Subcommittee has something to do with it some place. I cannot just remember where. On the legislative side we have the Committee on Interstate and Foreign Commerce, of which I am a member, having jurisdiction over legislative matters relating to aviation. Then there is the Civil Service Committee that I believe now has incorporated within it the old Committee on Post Offices and Post Roads, which committee establishes postal rates for the dispatch of the mail, the rates to the public.

I suggest to the committee and to the House that we might very well go into a very careful look-see of this whole proposition from all angles, considering cost of the carriage of mail in various conveyances, and so forth. The gentlemen on this committee will recognize, I believe that, in the transportation of first-class mail by rail, there may be cars that are sent out on railroads to distant points, sometimes at the ends of spur lines, with very little mail in them; yet the cost of the car is charged to the Post Office Department. That, of course, is in the nature of a subsidy, if that is what you want to call it, but actually it is the cost of a service to the people. The same thing can be said to be true of mail shipments by marine vessels. We have marine vessels leaving the ports of the United States for distant parts of the world carrying a relatively small amount of mail for which very high per-ton-mile payment is made. That likewise is a subsidy. It is a subsidy on a much larger order than is given to any air line that I know of. There are other forms of transportation in which the cost per mile of the vehicle itself is considered to be the amount to be paid, and no reference to the amount of mail carried is involved.

I notice in your hearings that you considered all American aviation. They are paid for the number of miles flown and not by the poundage of the mail carried. If you want to find out the actual rate per pound-mile or per ton-mile you will first have to find out how many pounds of mail are carried, and how far. So, when you say casually that there is a subsidy involved, you labor under a misapprehension of the over-all fact if you do not consider likewise other forms of subsidy given to other forms of transportation, such as the ocean shipping, the rail system, and by bus or truck. So, I think, before we get too far in this subject of trying to make such charges of subsidy to air lines for carrying the mail, that we ought to consider all of those other facts in the total picture.

In reference to the inland waterways, for example, the Government of the United States has spent \$4,000,000,000 on improving and maintaining the inland waterways, and yet those inland waterways are free to the users thereof. No charge whatever is made for it. That is also true of our rivers and harbors generally. No general charge that I know of is made for the use of river and harbor improvements or for the lighthouse service or the rescue service of the Coast Guard. There are a great many services that are performed by the public by governmental agencies that are free—free of any use charge whatsoever.

Some attention has been drawn to certain things that are being done to aid air navigation, and I would like to call the committee's attention to the fact that if we had not had these aids to air navigation before the war, we might have been in a very sad way for the conducting of our military and naval aviation. My committee considers aids to air navigation not only as aids to civil aviation, but likewise considers the importance of the establishment and building of these great highways of the air for the na-

tional defense. The Civil Aeronautics Act provides that in the event of war the entire aviation picture is available to the national defense set-up. In the last war, immediately on the declaration of war, the War and Navy Departments took over one-half of the civil air transport aircraft that were in service. They just took them over; they took over practically the complete operation of certain principal airports of the United States and all military planes, of course, had priority in any event, every place. They took on many of the civil pilots and the operating crews and ground crews and others and put them directly into the service of the armed services. Actually the civil air business is an auxiliary to the United States defense forces. It is not a separate institution that can go its own way as it pleases at all times.

A while ago, Mr. Chairman, you spoke about the so-called loran stations that are located on our coast. Loran is a gadget that was devised during the war as an aid to navigation on both land and sea. This has come to be a very important navigational aid for both aircraft and ships at sea.

We hope that a sufficient network, not a complete network, perhaps, but a sufficient network of these loran stations, which means long-range navigational aid, may be established so that our naval and land air and sea forces may have these aids available to them on instant notice in the event it is necessary for the United States to engage in any military operation or undertaking. It would be a very sad day indeed if all these aids were done away with, because they are aids to the national defense. I want to see a practical peacetime network of loran stations operated and maintained—mostly for the purpose of maintaining in regular operation a system that would be badly needed if we were attacked or even threatened. Loran has saved many an otherwise lost pilot and his ship and crew.

Mr. GARY. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I should like first to address my remarks to the bogus economy claimed for this bill. I find a very interesting statement in the report of the committee. I call it interesting because when you review the facts you must wonder, and it arouses great interest, why such a statement would be in the report, as one of the reasons if not the main reason why the committee undertook to place a low guess on the amount of tax refunds that would be made next year and call that economy. I would have no objection to the committee's guessing if it had not written into the bill a limitation on the amount of tax refunds that could be made. As one, I say, if not the principal reason for this, the committee says on page 16 of the report:

Coupled with the expectation of several million less taxpayers filing as a result of prospective changes in the tax laws, it is felt that the reduced figure would more nearly approximate the amount required for these rebates than the Bureau's estimate therefor.

I take it the committee means by this that it expects quite a sizable reduction in taxes later. Indeed, it says, "coupled with the expectation of several million less taxpayers." Now, how would that operate?

Out of my pay check, from the check of the automobile workers, the factory employee, the chain-store grocery clerk, out of the pay rolls of the workers of the United States of America, there are being withheld now taxes—withholding taxes. Those taxes are not being withheld at the rate which this committee expects to be written some time later; not at all, Mr. Chairman. The withholding taxes are being applied to the pay rolls at the present legal rate of taxation. So what will be the result if later on this year we reduce taxes? Is not the result obvious? It will result in larger claims for refunds, result in larger refunds rather than less. Indeed, I called the Bureau of Internal Revenue and asked what effect reduced taxes, a 20-percent reduction in taxes, would have on tax refunds. After some calculation they gave me the estimate that it would result in an additional \$1,000,000,000 of tax refunds during the next fiscal year. Therefore, I wondered and, as I say, that is why I find this statement interesting; why it is that because of reduced taxes there will be less refunds. They say there will be several million less taxpayers. That means several million people who are now paying taxes will not be subject to taxes. Do you think those people are not going to claim refunds? Are you going to say in your tax bill that they are not entitled to refunds?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. HINSHAW. I am curious to know why such an item as tax refunds should be considered as an expense to the Government. Certainly, the Government does not spend it in any way. It seems to me it is just giving back to the taxpayer what he paid in. It is not, in my view, properly a budget item and I wonder why it is in the bill at all.

Mr. GORE. I thank the gentleman for his contribution. He has stated better than I and illustrates better than I have the sham quality of this so-called economy. The gentleman is correct. This does not save one penny. Legal tax refunds will be made, no more, no less. It is not an expenditure of Government. If you and I overpay our taxes, the overpayment belongs to us under the law of the land.

Mr. HINSHAW. I think so, too.

Mr. GORE. Then to say that we are saving the taxpayers' money by placing a limit upon the amount of refunds which the Treasury can make is, I say, spurious.

Mr. HINSHAW. That may be, but at the same time it is in the President's budget. I do not see why it should be in anybody's budget. It is not a budgetary item, as I see it. It is not something that the Government is spending money for.

Mr. GORE. It is a disbursement from the Treasury.

Mr. HINSHAW. I suppose that is so.

Mr. GORE. A tax refund represents a disbursement from the Treasury. Of course, the Treasury can make no disbursement without the authorization of the Congress. May I point out to the gentleman the history of this amendment and procedure? For quite a number of years the appropriation bills did carry specific appropriations for tax refunds, but it became obvious to the Congress and to the fiscal authorities of the Government that it was impractical after the enactment of the withholding tax law. Then it was that many million taxpayers had a claim for refund. It then resulted, in 1 year, I believe, in Congress passing four deficiency appropriation bills to make it possible for the Treasury to make refunds. Therefore they adopted the practice of authorizing the Treasury and directing it to make refunds of taxes promptly in whatever amount the taxpayers were entitled to refunds.

I intend to offer an amendment tomorrow which will direct the Treasury to make prompt tax refunds. I am going to do that for two reasons. There are many small taxpayers who will have a claim for tax refund. These taxpayers need their money. I see no reason why Congress should prolong the time for paying these refunds to which the taxpayers are entitled. I think they should be made promptly. The second reason is I want to shorten the period the Government is required to pay 6 percent interest on refunds.

Mr. HINSHAW. I suggest at the same time that it is very difficult to anticipate in advance what the tax refunds may be, and very difficult to anticipate in advance how many of these black-market operators who did business in a cigar box will be caught and caused to pay up the proportionate taxes that they should have paid and which they did not pay. It is one of those things that you have to draw out of the air, it seems to me. I do not see how you can do any figuring on it.

Mr. GORE. By experience and careful analysis the Treasury Department can make calculations and estimates. As the gentleman from Missouri [Mr. CANNON] said earlier today, their estimate of the amount of refunds was somewhat smaller in 1946 than actually resulted. The same was true the year before. I went down to see them today, and I asked the Commissioner, in the light of the facts today, what he thought the tax refunds for the next fiscal year would be. He said he thought the estimate they gave to the Budget was fairly close, but, if anything, it was too conservative. Why is that true?

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has again expired.

Mr. GARY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GORE. Every time we have a prolonged strike in the country it results in more tax refunds. When there is a recession in some major field of employment it results in more tax refunds, because the withholding tax provision and rate applies to the wages which have already been earned. The total tax lia-

bility is calculated, as you know, of course, upon total annual income.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from California.

Mr. HINSHAW. Does not the gentleman think it is up to us to get everybody busy and keep them that way so that we will get more taxes instead of less?

Mr. GORE. I was a supporter of the full-employment bill last year, and I am a supporter of programs now to keep this country on a going economy. As a matter of fact, I do not see how we can afford to allow it otherwise, because if this country ever goes into a depression like we had before and the national income falls to such a low level that our going expense of Government, what with our war-debt charges, veterans' programs, national defense, takes everything everybody makes, then our whole economy is gone.

Mr. HINSHAW. I agree with the gentleman completely.

Mr. GORE. I am delighted to have the fine and able and influential support of the gentleman from California and I will look forward to his assistance tomorrow.

Mr. HINSHAW. I did not promise the gentleman any assistance tomorrow but I agreed with the gentleman's last statement which he made, that if the country goes to the dogs it has gone to the dogs.

Mr. GORE. I am delighted to know that one gentleman on that side is being a little careful with his commitments.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. EBERHARTER. In the matter of estimates, I had the figures last week. However, I do not remember them exactly, but I think the President estimated the tax refunds for 1946 would be somewhere in the neighborhood of a little over \$3,000,000,000. The payments were actually about \$3,000,000,000. In other words, the Treasury Department estimated within about \$50,000,000 on a figure as large as \$3,000,000,000. So that they can really do it. I also want to call attention to the fact that many of these refunds are necessary by reason of the excess profits income refund provision of the law. All of those claims have not been settled yet, and that is the reason that there will necessarily be a large amount of them to be paid.

Mr. GORE. Is the gentleman referring to the carry-back provisions?

Mr. EBERHARTER. The carry-back and carry-forward provisions. Then, there is another item which this committee has not taken into consideration. There are many billions of dollars of claims in the Treasury Department right now under section 722 of the Internal Revenue Code, which the Treasury Department has not passed upon; has not even commenced to consider. They set up a special counsel in order to develop procedure in order to settle those claims. Very few of them have been settled. Those claims have been considered which are for less than \$100,000. All claims of more than \$100,000 have not been considered by the Treasury Department or

the special counsel set up. So we have got those to look forward to when it comes to making calculations insofar as saving the taxpayer's money and setting up a strait-jacket budget is concerned.

Mr. GORE. I will point out to the gentleman one other provision of law which the Congress enacted in the war years, and that is this amortization of plant provision. Some of those claims have not been settled. And I want to point out further to the gentleman that whenever those claims are adjudicated, at whatever amount is determined we are required to refund, the amount will bear 6 percent interest. If somebody else does not, I expect to offer an amendment tomorrow limiting this appropriation to the payment of a lower interest, and I expect to limit it far below the 6-percent rate.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. ALBERT. Does not the gentleman believe it would be wise before criticizing this \$800,000,000 item to find out whether the majority party intends to include it in their promised \$6,000,000,000 Budget cut? Is this a part of the Budget cut or not, this \$800,000,000?

Mr. GORE. I yield to the distinguished chairman of the subcommittee to answer the able young gentleman's question, a pertinent one.

Mr. DIRKSEN. I will answer that after a while.

Mr. ALBERT. I should like to have the answer now.

Mr. CANFIELD. The President included that item in his estimate of expenditures. It is included here.

Mr. GORE. Then it is a part of the proposed \$6,000,000,000 saving. It is a bogus part, my friend.

I understood from the previous remarks of the gentleman from Illinois that he was going to undertake to show that there was some legerdemain within the Treasury Department to make a larger amount of the refunds come due within the next fiscal year. I do not know upon what the gentleman intends to base that argument. I can assure him, however, that there is no basis for it. In 1945 there was a tax refund of \$904,000,000. In the fiscal year 1946 there was a tax refund of \$3,310,000,000. In the fiscal year 1947 it is anticipated that there will be a refund of \$2,108,000,000. As of March 7, as the daily Treasury statement will show, already \$1,200,000,000 has been disbursed for tax refunds.

It is estimated in the budget that for the fiscal year 1948 there will be \$2,031,000,000 tax refund.

If the gentleman intends to cite the fact that 1946 was higher than either of the other 4 years I should like to point out that then we had a pyramiding of the carry-back and the amortization provisions of the tax law.

I wish now to come to the question of appropriations for the investigative staff of the Bureau of Internal Revenue. I know of course the statement is frequently made that the war is over and we ought to collect taxes more cheaply. The war is over so far as the shooting is concerned, but as pointed out by the distinguished gentleman from Pennsylvania, a great many provisions of the

tax law resulting from the war and growing out of the war have brought about thousands of claims, many large claims now remaining undetermined in the Bureau of Internal Revenue. To cut down on the staff determining the validity of these claims would prolong the period during which they will draw 6 percent interest. We passed a deficiency bill in the House the other day and left out a provision necessary to make rapid determinations before April 15 of refunds. You will find a letter from the Secretary of the Treasury setting this out on page 1704 of the Record. It was placed in the Record by the chairman of the Appropriations Committee of another body.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GORE. Mr. Chairman, the law on refunds provides that the Government shall have a grace period of 30 days. The taxes being due on March 15, if the refund check is mailed out before April 15 there is no interest on the amount during that 30-day period of grace for the Government; therefore it makes necessary that very rapid determinations be made in order to save that 6 percent interest and, mind you, that is no small figure. It is estimated that the item of interest will this year amount to \$80,000,000, a very sizable sum, more than five times the amount you reduce the Post Office Department. Indeed, it represents a sum equal to the total savings you made in the entire Treasury Department appropriation bill.

The gentleman from Illinois said that in cutting down on the Bureau of Internal Revenue in the tax-collecting appropriation he did not intend that the field staff be reduced. I notice here in the report, page 14: "It is not contemplated, however, that there should be any drastic curtailment in the servicing functions of the Bureau."

Just in which bucket on which shoulder do you have the water, or are you carrying water on both shoulders?

Mr. DIRKSEN. The gentleman better read that again.

Mr. GORE. Does the gentleman want it read again?

Mr. DIRKSEN. No. Read the entire context.

Mr. GORE. The whole page or the sentence?

Mr. DIRKSEN. No; that portion which relates to enforcement activities.

Mr. GORE. That is on one page and this sentence is on the other page, but they both apply to the same cut. That is the reason I am pointing out the inconsistency of the gentleman's statement. As a matter of fact the reduction in personnel which will inevitably result from this cut, if it stands, is a reduction in the investigatory staff. I would like to point out with what result investigations have been made in recent months. But before doing that, I would like to say to the Chairman and members of this Committee that, in my studied opinion, there are many millions of dollars owed the Government in taxes now which the Bureau of Internal Revenue is not collecting. There are many peo-

ple who have never filed a return, who are obligated by the laws of the land to pay taxes on the income they have received. With the funds which the Bureau of Internal Revenue has now, it is only able to investigate 3 percent of the returns filed, to say nothing of these people who have not filed any returns but who should have. You know, we have a program of balancing the budget, and I am wholeheartedly for it and have so said publicly many times, but you cannot balance the budget by shooting the tax collectors.

During the fiscal year 1945, with an average of 19,000 enforcement officers, the Government collected over \$1,000,000,000 which they would not have collected had these investigations not been made. In 1944, to go back a year further, with only 16,000 enforcement officers, the Government collected \$814,000,000 which it would not have collected otherwise. In 1946, the collecting, enforcement officer, and investigating staff was increased to 24,000. With what result? The Government collected \$1,478,000,000 which it would not have collected had it not been for the investigations. Let us not be penny-foolish.

Mr. GARY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I asked the Housing Expediter, Mr. Crendon, to give me an up-to-date report on the administration of the Veterans' Emergency Housing Act of 1946, which was sponsored by me in the Seventy-ninth Congress, and became a law May 22, 1946.

Mr. Crendon's letter, containing the report, is as follows:

OFFICE OF THE HOUSING EXPEDITER,
Washington, D. C., March 10, 1947.

HON. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN PATMAN: For several weeks prior to March 1, there were increasing indications of opposition to the Veterans' Emergency Housing Act of 1946. That opposition reached a climax when the directorate of the National Association of Home Builders approved resolutions recommending that all controls on construction be eliminated. Backing up these resolutions were statements made by representatives of industry as well as statements made by individual members of several veterans' organizations and by Congressman Wolcott. For these reasons I felt that it was time for us to take stock of the housing program, to determine what the veterans themselves want, and to reach a definite conclusion as to whether controls should be continued as they now exist, should be relaxed, or should be entirely eliminated as suggested by the home builders and some other representatives of industry.

Therefore, on March 3, I addressed a letter similar to the attached to the national commanders of five veterans' organizations, namely, the American Legion, Veterans of Foreign Wars of the United States, American Veterans of World War II, Disabled American Veterans, and the American Veterans Committee, Inc.

Subsequently on March 5, 6, and 7, I held meetings with each of these national commanders and their chosen representatives to get their official views on each of the nine controls set out in the attached letter. The official position of each organization is shown on the attached summary.

You will note that the veterans' organizations are unanimous in supporting all of

the controls listed with one exception. AMVETS recommended that rental ceilings on new construction be eliminated, and VFW recommended that consideration be given to the elimination of rent ceilings on new construction.

I am sure that you are familiar with each of the controls listed in the attached letter and that you are also familiar with the purpose of those controls. However, you might like to know my own position with regard to those controls and particularly the reasons why I think those controls should be continued for some time to come—certainly until the supply of building materials and the availability of construction labor justify their elimination.

The first of the controls mentioned is the construction limitation order (VHP-1), which restricts construction of nonessential and deferrable nonresidential construction and of luxury-type residential construction. This is the basic order which has the most direct relationship to the success of the veterans' emergency housing program. Without this order a huge volume of nonresidential and deferrable nonresidential construction and a considerable volume of luxury-type housing would go forward. That construction, as you well know, could result only in increasing demands for scarce building materials and for scarce construction labor. Without the control, there would be a mad scramble for materials and labor, and home builders would be outbid for both. Without the control, fewer homes would be started, fewer would be completed; construction would be delayed, and cost would increase.

The second control is the allocation of a few basic raw materials, such as pig iron, to producers of building materials in critically short supply. This office is trying to reach voluntary agreements with industry which will permit the elimination of allocations. We have already been successful in making an agreement with the steel industry which will result in as much steel going to producers of housing items during each quarter of 1947 as was allocated to housing items during the first quarter of 1947. We have made an entirely satisfactory agreement with the producers of phenolic resins. We have made a partially satisfactory agreement with the producers of pig iron covering items other than cast-iron soil pipe. However, we have been unable thus far to negotiate with the producers of shop grade lumber, which is badly needed for millwork, and with the producers of paper liner, which is needed for gypsum board and lath. We have been unable to reach a satisfactory agreement with the producers of pig iron with regard to supplying pig iron for cast-iron soil pipe. In the latter material alone we know that failure to continue allocations will result in as much as a 50 percent reduction in the production of cast-iron soil pipe which is one of the most critical items for housing. Therefore, unless and until we are able to make an agreement with regard to the three last named items, it is necessary that allocations be continued or housing construction will suffer for lack of materials.

The third control is one designed to provide special assistance to building materials producers in securing necessary equipment and machinery. We have numerous cases presented to us where, for lack of a motor or some other item of machinery or equipment, a plant producing building materials cannot maintain its production or cannot increase its production. It is obvious, therefore, that we must provide this type of assistance to help producers keep their plants in operation or bring them into operation. I am frank to say that such assistance to producers of building materials has not, to the best of my knowledge, had any adverse effect on the balance of the economy.

The limitation to one completed bathroom and to a total floor area of 1,500 square feet

and the requirement that housing be suitable for year-round occupancy, are very obviously designed to prevent the building of luxury-type homes. The first mentioned spreads the available supply of bathroom fixtures over a greater number of dwelling units. We will be glad to eliminate the control whenever the supply of those fixtures comes to near balance with demand. The second of these controls is also designed to conserve building materials. There can be no question that luxury type houses require a disproportionate amount of material and labor. Therefore, to eliminate the restriction at this time would of necessity result in a fewer number of families being housed in new construction. The third of these controls prevents the building of resort cottages and similar types of homes which at best serve only a seasonal demand.

The last three controls, rent ceilings on new construction, veterans' preferences, and sales price and rental ceilings on HH priority constructed houses, are for the benefit of the veterans. Rent controls on new construction are now being considered by the Congress, consequently they will be retained pending congressional determination. However, the builders themselves have stated upon numerous occasions that the rent formulas employed by FHA enable investors to receive a fair return on their investment. The veterans' preference is required under the Patman Act, and unless there is congressional action I have no authority to make any change in that control. There have been instances where the requirement that houses be held for sale to a veteran during construction and for 60 days thereafter, has worked a hardship on builders. We recognized that hardship by authorizing the FHA to make exceptions where a builder showed that he was unable to dispose of homes which he had built for sale within a period of 30 days after completion. To the best of my knowledge the exception which we have authorized eliminates any question of builder hardship resulting from the veterans' preference. The sales price and rent ceilings established under the HH priority system were directed toward one end—preventing veterans from being overcharged. The builders are protected from loss by reason of increased cost during construction in that they may apply to the FHA for an increase in sales price or rental ceiling to the extent justified by the increase in costs over which they had no control. The builders have advanced several reasons why the controls should be eliminated. They say that they are placed in an unfair competitive position with regard to housing started under the permit system. We have met this objection by permitting the installation of additional facilities, such as a garage, hardwood flooring, a different type furnace, etc., with the increased cost added to the originally established sales price. The builders strenuously object to compliance and enforcement requirements in connection with HH sales price ceilings. However, the veterans themselves insist on strict compliance and enforcement. The builders state that they could in many instances sell the homes which they have constructed at a price greater than that which will be allowed them by the FHA, even after adding the increased cost over which the builders had no control. I believe the answer to this is that the builders secured authorization to build and definite benefits from the HH priority in return for which they accepted obligations beneficial to veterans. To eliminate the sales price ceiling at this time would give the builders the benefits without holding them accountable for the obligations running with those benefits.

The attitude of the veterans' organizations is plain and beyond controversy as a result of the recent meetings. Therefore, I am continuing to maintain the controls which I enumerated in my letter unless the Congress directs a different policy. I believe that the veterans' emergency housing pro-

gram was conceived because of the veterans' need. It is evident from the actions of the veterans' organizations that I have not misjudged the need. We have a continued responsibility to do everything that we can to meet that need.

I am sending this information because I know of your intense interest in the housing program being carried out under the Veterans' Emergency Housing Act of 1946, which you introduced in Congress.

In order that you may be fully apprised of the attitude of the veterans' organizations, I am enclosing copies of press releases issued by the American Legion, the Veterans of Foreign Wars, AMVETS, and the American Veterans Committee. I am also enclosing a copy of a press release issued after my meetings with the commanders of the several organizations and a copy of the speech I made before the annual convention of the National Association of Home Builders in Chicago on February 25.

Sincerely yours,

FRANK R. CREEDON,
Housing Expediter.

I am also inserting herewith press releases disclosing the attitude of veterans' organizations, a summary of their conclusions, an address delivered by Mr. Creedon, and other information relating to this subject:

Summary of veterans' organization recommendations as to retention or elimination of basic housing controls still in force

[Recommendation: R—retain; E—eliminate]

Housing controls	Disabled American Veterans	American Veterans Committee	AMVETS	Veterans Foreign Wars	American Legion
(1) The construction limitation order which restricts non-residential construction.....	R	R	R	R	R
(2) The allocation of a few basic raw materials, such as pig iron, to producers of building materials in critically short supply.....	R	R	R	R	R
(3) Special assistance to building materials producers in securing necessary equipment and machinery.....	R	R	R	R	R
(4) Limitation to 1 completed bathroom.....	R	R	R	R	R
(5) Limitation to a total floor area of 1,500 feet.....	R	R	R	R	R
(6) Requirement that housing be suitable for year-round occupancy.....	R	R	R	R	R
(7) Rent ceilings on new construction.....	R	R	E	E	R
(8) Veterans' preferences.....	R	R	R	R	R
(9) Sales price and rent ceilings on HH priority-constructed houses.....	R	R	R	R	R

OFFICE OF THE HOUSING EXPEDITER,
Washington D. C., March 3, 1947.

Mr. PAUL H. GRIFFITH,
National Commander, American Legion,
Washington, D. C.

DEAR MR. GRIFFITH: At a recent convention of the National Association of Home Builders in Chicago, representatives of several veterans' organizations indicated that they favored the removal of sales price ceilings on HH priority-constructed houses. Members of the building industry attending the convention also adopted various resolutions calling for the removal of other housing controls still in force.

As you know, housing controls have been relaxed whenever I deemed that the changing situation warranted such action. The proposals made at the Chicago convention, however, are directed at the elimination of

all controls. The basic controls and restrictions still in force are:

1. The construction limitation order which restricts nonresidential construction.
2. The allocation of a few raw materials, such as pig iron, to producers of building materials in critically short supply.
3. Special assistance to building materials producers in securing necessary equipment and machinery.
4. Limitation to one completed bathroom.
5. Limitation to a total floor area of 1,500 square feet.
6. Requirement that housing be suitable for year-round occupancy.
7. Rent ceilings on new construction.
8. Veterans' preferences.
9. Sales price and rent ceilings on HH priority-constructed houses.

In considering the proposals made at the convention in Chicago I would like very much to have the comments and recommendations of the American Legion on each of these controls. If it is convenient for you, I should like to discuss these matters with you, the chairman of your national housing committee, and any other of your representatives in my office at 11 a. m. on March 7, 1947. If the time suggested for the meeting is not satisfactory, I will be glad to adjust it to your convenience. The meeting will not be a joint one with other veterans' organizations.

My own views on each of these controls are expressed in a talk which I made at the NAHB convention earlier in the week. I am enclosing a copy of this for your information.

Sincerely yours,

FRANK R. CREEDON,
Housing Expediter.

A similar letter was sent to commanders of other veterans' organizations at the same time.

National Commander Paul H. Griffith, of the American Legion, Thursday, March 6, urged the National Housing Expediter to maintain rigid controls on all nonresidential construction.

The recommendation was made in response to a request by Housing Expediter Frank Creedon for comments by the Legion on nine basic housing controls and restrictions still in force.

In asking for recommendations by the American Legion, Mr. Creedon pointed out that he favors relaxing controls whenever a changing situation warranted such action.

Commander Griffith and Mr. Creedon discussed housing Thursday afternoon at Legion national branch headquarters, 1608 K Street NW.

A listing of the controls, and the Legion's recommendations thereon, follow:

1. Control: The construction limitation order which restricts nonresidential construction.

Legion position: Rigid controls on all nonresidential construction should be maintained. Despite the fact that Congress yesterday trimmed the deficiency appropriation of the agency which is administering VHP-1, we say Congress should provide funds to some governmental agency for the purpose of controlling this type of construction.

2. Control: The allocation of a few basic raw materials, such as pig iron, to producers of building materials in critically short supply.

Legion position: We recommend the allocation of raw materials to manufacturers be continued. Congress should provide funds for the purpose of administering these allocations, whether by CPA or some other governmental agency.

3. Control: Special assistance to building-materials producers in securing necessary equipment and machinery.

Legion position: We recommend assistance to building materials producers in securing equipment and machinery.

4. Control: Limitation to one completed bathroom.

Legion position: We recommend continuance of the policy of one completed bathroom in each house until the supply of bathroom fixtures comes somewhere near the demand.

5. Control: Limitation to a total floor area of 1,500 square feet.

Legion position: We believe the square-foot limitation of 1,500 square feet on the size of houses should be continued. To eliminate this restriction could not but result in a lesser number of families housed by new construction.

6. Control: Requirement that housing be suitable for year-round occupancy.

Legion position: We believe the regulation requiring housing to be suitable for year-round occupancy is sound; for it to be otherwise could result in an unnecessary drain on our already limited materials and labor for the erection of purely seasonal houses.

7. Control: Rent ceilings on new construction.

Legion position: We recommend that rent controls on new construction be continued. Under the realistic rent formulas employed by FHA, the operators are in the position of receiving a fair return on their investment.

8. Control: Veterans' preferences.

Legion position: Veterans' preference should be continued.

9. Control: Sales price and rent ceilings on HH priority-constructed houses.

Legion position: Sales price and rent ceilings on HH priority-constructed houses should be maintained.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

WASHINGTON, D. C., March 4, 1947.—Rent control, guaranteed markets for producers of new building materials and mass privately produced housing, and long-range, low-interest loans to builders of rental housing for veterans, were "musts" submitted to Housing Expediter Frank Creedon by Commander-in-Chief Louis E. Starr, Veterans of Foreign Wars, during a conference today.

Starr also called for continued limitation of nonhousing construction. He urged the allocation of basic raw materials to producers of materials for housing if any semblance of a veterans' housing program is to bring relief to veterans.

VFW's views are expressed in 12 points. They follow:

1. Continued rent control.
2. Guaranteed markets for new materials and producers of prefabricated and industrial houses.
3. Long-range, low-interest loans to builders of rental units.
4. Limitation on nonresidential construction.
5. Allocation of basic raw materials now in short supply into housing materials.
6. Special assistance to building-material producers in securing equipment and machinery.
7. Limitation to one completed bathroom for new homes.
8. Limitation to 1,500 square feet floor areas in new construction.
9. Requirement that housing construction must be limited to year-round occupancy; eliminating beach homes, pleasure resorts, etc.
10. Consider lifting ceilings on new rental construction to stimulate large-scale development.
11. Veterans' preference on new homes for sale or rent should remain in effect if we are to have a veterans' emergency program.
12. Sales prices on HH priority-constructed homes should continue as protection to veterans who have made deposits and agreed upon sales and terms.

AMVETS OF WORLD WAR NO. II

WASHINGTON, D. C., March 7.—The AMVETS today announced general support of Frank R. Creedon, Housing Expediter, in his efforts to continue channeling scarce material into veterans housing; to prohibit the construction of large-size luxury mansions during the acute housing shortage; to limit nonhousing construction; to retain veterans' preferences; to retain sales prices and rent ceilings on HH priority-constructed houses.

However, in the belief that rent ceilings on new houses are already too high to be of assistance to the great mass of veterans and in an effort to expedite new construction, AMVETS National Commander, Ray Sawyer announced that the AMVETS national executive committee had voted in favor of removing rent ceilings on newly constructed houses and apartments.

The announcement followed a conference between Mr. Creedon and his staff and the AMVETS, national commander, accompanied by Allen P. Solada, executive director, Robert L. McLaughlin, legislative director; and Roscoe L. Barrow, chairman of the AMVETS national housing committee.

AMERICAN VETERANS COMMITTEE (AVC)

WASHINGTON.—Franklin D. Roosevelt, Jr., national housing chairman of the American Veterans Committee (AVC), today attacked the proposal of the National Association of Home Builders that all housing controls be removed "as an indication that this group is not interested in constructing the type of low-cost housing veterans need."

In reply to a request from Housing Expediter Frank Creedon for AVC's recommendations on retention of existing controls, Roosevelt said: "The AVC believes that in the face of the continuing housing emergency all controls which aid in the construction of housing at minimum price levels must be retained. We feel that the following controls fall into this category:

- "1. The construction order which limits nonresidential construction. This is one of the most important of existing controls. It is reported that over-all building costs are up 86 percent over 1939 and have reached an all-time peak. If the present limitation on nonresidential construction is lifted, nearly all builders would turn to the more profitable commercial construction.

- "2. The allocation of such basic raw materials as pig iron to producers of building materials in critically short supply.

- "3. Special assistance to building-materials producers in securing necessary equipment and machinery.

- "4. Limitation to one completed bathroom.

- "5. Limitation to a total floor area of 1,500 square feet.

- "6. Requirement that housing be suitable for year-round occupancy.

- "7. Rent ceilings on new construction. As housing officials have pointed out, removal of these ceilings would not result in additional construction but would mean exorbitant rentals.

- "8. Veterans' preferences.

- "9. Sales prices and rent ceilings on HH priority constructed houses.

- "10. Guaranteed market provisions."

Roosevelt said that AVC concurred in the statement of Mr. Creedon that the controls remaining in effect should be maintained to prevent a mad scramble by the entire building industry for scarce materials and labor.

"If we are to obtain the goal of 1,000,000 houses for 1947, every aid must be given to the housing builder," Roosevelt said. "Not only must existing controls be retained but a determined effort must be made to find ways and means of bringing down construction costs. A recent survey by the Wall Street Journal indicates that builders are curtailing their programs up to 90 and 95 percent because of current record high costs. Any action which would further increase

housing costs is a direct blow at the homeless veteran."

Roosevelt said that a minimum housing program for veterans included retention of existing controls, continuation of rent controls for another year, and speedy passage of the Wagner-Elender-Taft housing bill.

Roosevelt's recommendations were presented to the Housing Expediter today by Chat Paterson, AVC's national legislative representative. The recommendations of the VFW, Legion, AMVETS, and DAV were also presented to Mr. Creedon this week in response to his request for the attitudes of the five major veterans' organizations on the proposal of the National Association of Home Builders that all controls be removed.

OFFICE OF THE HOUSING EXPEDITER

MARCH 9, 1947.—Housing Expediter Frank R. Creedon said today that any doubt or uncertainty as to whether the veterans' organizations want the present housing program continued in full force and effect has been removed as the result of conferences he has just held with the heads of the five major veterans' organizations or their representatives.

Mr. Creedon met individually this week with National Commander Paul M. Griffith, of the American Legion; Commander in Chief Louis E. Starr, of the Veterans of Foreign Wars; National Commander Ray Sawyer, of the American Veterans of World War II; Chat Paterson, representing National Chairman Charles G. Bolte, of the American Veterans Committee; and Earl G. Hendrick, representing National Commander Lloyd F. Oleson, of the Disabled American Veterans.

"I asked them to meet with me to clear up uncertainties that arose recently over conflicting reports as to the attitude of the veterans' organization toward the housing program," Mr. Creedon said. "The conferences were set up as a result of a letter I sent to the heads of the veterans' organizations, in which I stated that recent industry recommendations and the statements of members of some of the veterans' organizations indicated they favored the removal of sales price ceilings on National Housing priority-constructed houses. I further pointed out that some industry members favored removing all housing controls still in effect.

"In the letter I called attention to the fact that housing controls have been relaxed whenever I deemed that the changing situation warranted such action, but that some proposals were directed at the elimination of all controls.

"I then listed nine basic controls and restrictions still in force, and wrote the heads of the veterans' organizations that I would like very much to have their comments and recommendations on each of these controls; and I stated, further, that I would like to discuss these matters with each of them individually.

"My purpose, of course, was to determine beyond any question whether each of the veterans' organizations wanted the program continued in its present form, or whether it thought certain of the existing controls should be continued and others dropped, or whether it recommended abandoning the entire program.

"Their answers were unequivocal. All five of the organizations made it clear that they wanted the present program continued as is.

"Mr. Griffith of the Legion urged the retention of all nine points. He urged me to maintain rigid controls on all nonhousing construction, and stated that Congress should provide funds to some governmental agency to control this type of construction as well as to administer the allocation of raw materials to manufacturers of scarce building materials. He said the one completed bathroom control should be continued until the supply of bathroom fixtures comes some-

where near demand; that the 1,500-square-foot limitation should be continued, because, he said, its elimination would result in the construction of fewer homes; and that the year-round occupancy control should be retained to prevent an unnecessary drain on materials and labor for purely seasonal houses. Mr. Griffith said rent ceilings on new construction should be continued, because, he said, FHA's rent formulas provide a fair return on their investment.

"Mr. Starr of VFW favored retention of eight of the nine points and added three of his own—continued rent control on existing homes, guaranteed markets for new materials and producers of prefabricated and industrial homes, and long-range, low-interest-rate loans to builders of rental units. He questioned only one of the points—ceilings on new rental construction—and suggested I consider lifting it if such action would stimulate the construction of rental housing.

"Mr. Sawyer of AMVETS announced support of his organization on eight of the nine points. In the case of rent ceilings on new housing, he said that AMVETS' national executive committee had already taken action in favor of removing rent ceilings on newly constructed houses and apartments.

"Mr. Patterson of AVC and Mr. Hendrick of the DAV urged continuation of the entire program, strongly endorsing all nine points. "These conferences with the veterans' organizations have been most helpful in clarifying the atmosphere. There is no longer any doubt that the veterans' organizations want a housing program nor is there doubt as to what kind of program they want. On the basis of their recommendations, I as Housing Expediter intend to continue as long as necessary the existing programs on which there was unanimity of opinion on the part of the veterans' organizations. The whole subject of rent control is before Congress. Consequently, rent ceilings on new construction will be retained pending consideration of this matter by the Congress."

The 9-point control program on which the veterans organizations were asked to comment and make recommendations point-by-point follows:

1. The construction limitation order which restricts nonresidential construction.
2. The allocation of a few basic raw materials, such as pig iron, to producers of building materials in critically short supply.
3. Special assistance to building materials producers in securing necessary equipment and machinery.
4. Limitation to one completed bathroom.
5. Limitation to a total floor area of 1,500 square feet.
6. Requirement that housing be suitable for year-round occupancy.
7. Rent ceilings on new construction.
8. Veterans' preference.
9. Sales prices and rent ceilings on HH priority-constructed houses.

SPEECH OF HOUSING EXPEDITER FRANK R. CREEDON AT THE FOURTH ANNUAL CONVENTION OF THE NATIONAL ASSOCIATION OF HOME BUILDERS, HOTEL STEVENS, CHICAGO, ILL., FEBRUARY 25, 1947

I have heard it stated that the 12,000 members of this association build more than three-fourths of the homes and apartments erected each year in America. Next to the veteran searching for a place to live, you are the group most vitally concerned with the housing outlook. I have been Housing Expediter now for about 2 months. I think it most opportune that I am permitted to talk to you at this time and I wish to thank you for inviting me here.

I shall try to explain the actions I have taken since I assumed office and to tell you what I see the outlook to be for the balance of this year. All of the policies of the Of-

fice of the Housing Expediter are being formulated in an atmosphere of an orderly retreat from war. The Nation is fast approaching a return to a free, unfettered economy. The administration is directing its energies toward this goal.

Within this general spirit of decontrol, and within 48 hours after I assumed office, I eliminated the sales price ceiling on new houses, except those constructed with the aid of HH priorities. I eliminated the complex priority system, and the even more complicated schedule B to Priorities Regulation 33. I substituted a simple permit system authorizing construction. I rescinded the regulation which prohibited non-veterans from building for their own occupancy. I believed this prohibition to be undemocratic—and I know that it prevented many homes being started. I changed the former \$80 per month rental ceiling on apartment housing to a ceiling of an average of \$80 per month. Statistics indicate that this average ceiling is sufficient for almost every section of the country. However, just a few days ago, as Housing Expediter, I authorized the Federal Housing Administration to raise the \$80 average shelter rent to a maximum of approximately \$30 to \$32 per month, per room, including service charges, in the very large metropolitan areas where hardship would result from inability to build under the \$80 average rent ceiling.

I recently issued instructions to relax the provision that a builder must hold each and every house in a project for purchase by a veteran for a period of 60 days after its completion. This revision is covered by FHA Bulletin H. P. S. 13, dated February 13, 1947.

Also, I have just issued instructions to permit the sales prices of dwellings, built with HH priorities, to be increased beyond the previously imposed ceiling of \$10,000 (and \$17,000 for two-family dwellings) to cover the increased cost of highly desired conveniences previously omitted in order to keep costs within these ceilings. This revision is covered by FHA Bulletin H. P. S. 15, dated February 18, 1947.

I believe it appropriate at this time to mention the premium-payment program which played its part in increasing the production of certain building materials in short supply. This program lost much of its effectiveness with the removal of price controls. We have carefully reviewed the program and have already reduced the total number of plans in effect from 11 to 4. Of these four, two are scheduled to terminate March 31—housing nails and timber cruising teams. This leaves only the premium-payment plans on merchant pig iron and cast iron soil pipe, both of which expire on June 30. These two plans can and will be extended if it is determined that without them housing will suffer. The premium-payment plans have been important tools in getting record or near-record increases in the shortest possible time on several of the most critical building materials.

Another important factor in obtaining the large increase in many critical building materials thus far achieved has been Government allocation of basic raw materials to manufacturers of certain building products. It is highly important that the supply of these basic raw materials be continued. I intend to see that they are continued either by Government directive or by voluntary agreements reached between the Government and the manufacturers of these basic raw materials. As an example of a voluntary agreement just entered into, I am pleased to announce that the steel industry has agreed, on a voluntary basis, to supply approximately the same tonnage of steel to the same end product building items for each of the remaining quarters of 1947, as the industry did in the first quarter of 1947.

To stimulate the construction of rental housing projects, both large and small, the

FHA is offering liberalized provisions and incentives to builders of rental housing. FHA now insures mortgages on rental housing projects up to 90 percent of current costs, including land. FHA estimates that with an insured mortgage loan an efficient operator may recover through the mortgage substantially all of his cash expenditure. As a further incentive to operators in establishing initial rentals, FHA authorizes an anticipated net return of 6½ percent, with a 7 percent vacancy allowance. With the 100-percent occupancy which can reasonably be expected for several years, the operator will actually be getting a substantially higher net return. As I stated earlier, where the \$80 average rent ceiling prohibits rental construction in the very large metropolitan areas, I have authorized FHA to make special administrative exceptions on the basis of hardship.

The Bureau of Internal Revenue has entered the picture to permit accelerated depreciation of rental-housing projects for income tax purposes. As an additional aid, the FHA has simplified requirements as to application forms, preliminary drawings, specifications, and exhibits. In fact, FHA is maintaining a continuous study of ways and means to cut red tape for builders. In this connection, I would like to point out that FHA has recently instructed its field offices that FHA minimum property requirements for multifamily dwelling units are to be used as guides only.

I have recited these actions as proof positive that I do not retain any controls just for controls' sake, and also as assurance that I intend to lift the remaining controls at the earliest possible moment consistent with the aims of the housing program and with proper consideration for the economy of the country as a whole.

Despite the anxiety and wholesome desire of everyone to be free of Government controls, we should not lose sight of the fact that Government controls were imposed for a worthy purpose. That purpose was to win the war. I do not believe any single one of you would deny the effectiveness of controls in achieving that purpose. The controls remaining in effect are being maintained because I believe that without these controls there would result a mad scramble by the entire building industry for scarce materials and labor. The net result would be not only a great number of uncompleted construction projects, but a great number of uncompleted dwellings, with the result that homes which are already costing too much to build would cost a great deal more. In our desire to remove controls, we should not lose sight of the purpose of controls and we should not remove any control if, by removing, we sacrifice the purpose for which the control was established.

Now, let's take a look at these controls which we have kept and see what they are and the reasons why we are keeping them.

Veterans' preference, except for the modification previously mentioned, will be maintained for houses and apartments built during 1947. You are familiar with this preference. It requires that houses be held for veterans' purchase during construction and for 60 days after completion and that rental units be offered to veterans exclusively for 30 days in the same manner. I do not believe anyone here will quarrel with that control, as modified. Moreover, it is required under the Patman Act.

We are maintaining the limitation on non-residential construction, otherwise known as VHP-1. We have recently raised the limit, as you know, from \$35,000,000 per week to \$50,000,000. The chief reason for this raise in the limit was the increase in material and labor costs. We do not intend to increase this \$50,000,000 limit until the material and labor situation justifies a change. During the period from March 24, 1946 when VHP-1 was put into effect, to February 1, 1947, a total of \$2,000,000,000 in nonresidential construction

was denied. I do not think that there is a man in this room who believes that the 1947 housing program would have the chance that it needs and deserves if this tidal wave of nonresidential construction was allowed to sweep over the country. Not only would the materials situation become utterly chaotic, but the bidding for labor and building materials would end in costs spiralling upward.

We will continue the square-foot limitation on the size of houses. The only purpose of this restriction is to prevent the construction of luxury-type houses which use a disproportionate amount of material and labor. To eliminate this restriction could not but result in a lesser number of families housed by new construction. The further limitation of one completed bathroom to a house is for the purpose of spreading the available supply of bathroom fixtures over a greater number of dwelling units. In the recent survey conducted by your association, plumbing fixtures were listed as the fourth most serious bottleneck in the building-material field. I will be very happy to eliminate this control just as soon as I can be assured that the supply of bathroom fixtures comes somewhere near the demand.

I do not believe that these remaining controls, onerous as they may seem in specific instances, when viewed in the light of the purpose for which they are imposed, can be said to be anything but helpful to the housing program, and you, even more than I, who live with the problem from day to day, can well recognize that fact.

Your performance last year was truly remarkable, all things considered. You started over 630,000 new, conventional homes and completed nearly 450,000. Building material supplies have made phenomenal gains. Present indications are that there will be building material enough for starting and completing about 1,000,000 homes in 1947, providing the program outlined above is adhered to. I have every confidence that you, you home builders, will achieve the recognized needed objective of 1,000,000 homes and apartments under construction this year.

The main emphasis will be and should be on the construction of a huge volume of rental housing. Surveys by the Census Bureau, Veterans' Administration, other Government agencies, and by private groups, have all shown that the great majority of veterans are unable financially to undertake the purchase of a home in today's market. Most veterans are young, many are still in school. Others are in job training and many have not yet selected the community in which they will settle permanently.

While I am optimistic about the housing outlook, I do not want any of you to think that we are without further problems or that the housing situation is practically solved. Far from it—the building material and labor situations are still serious problems, but I do believe that the cost of building materials, and more particularly the cost of construction, during the coming months will level off if they do not actually decline. It is my firm belief that the 1947 housing program is more your program than it is the Government's. It is up to you to get homes and apartments built for veterans. The home building industry has its big chance in 1947. I repeat that I have relaxed or eliminated practically all controls that have hindered you in the past. I am retaining only those controls without which you would not have even the share of scarce materials and labor that is available to you today.

You and I, you as the home builders of the Nation—I, as Housing Expediter within the framework of the Patman act, have as yet an unfulfilled obligation to the men and women who served their country in time of war. You have proven your ability to overcome obstacles in the past. Working together, I know you can and will build more houses and apartments in 1947 than were ever before built in a similar period.

The CHAIRMAN. General debate having been concluded the Clerk will read the bill for amendment.

The Clerk read down to and including line 7, page 1.

Mr. CANFIELD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JOHNSON of California (at the request of Mr. CANFIELD) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANDERSON of California (at the request of Mr. CANFIELD) was granted permission to extend his remarks in the RECORD and include an address by the Secretary of the Navy.

Mr. PLUMLEY (at the request of Mr. CANFIELD) was granted permission to extend his remarks in the Appendix of the RECORD.

Mr. STEFAN (at the request of Mr. CANFIELD) was granted permission to extend his own remarks in the RECORD.

PERMISSION TO FILE MINORITY VIEWS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. SMITH] may have until midnight tonight to file minority views on the bill H. R. 2413.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that in connection with the remarks I made in Committee of the Whole this afternoon I may include a letter from Mr. Creedon, Housing Expediter, a summary of conclusions reached by veterans' organizations, press releases by the major veteran organizations on the housing question, and an address delivered by Mr. Creedon on the Housing Act.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. SARBACHER asked and was given permission to extend his remarks in the RECORD and include a copy of the resolution adopted by the Philadelphia Sports Writers Association.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—OFFICE OF SELECTIVE SERVICE RECORDS (H. DOC. NO. 168)

The SPEAKER laid before the House the following message from the President of the United States which was read by the Clerk and, together with accompanying papers, was referred to the

Committee on Armed Services and ordered printed:

To the Congress of the United States:

In my message of March 3, 1947, to the Congress, I recommended that there be no extension of the Selective Training and Service Act at this time. Because I am confident that the Congress and the Nation stand ready both now and in the future to take such action as may be necessary to assure the security of the Nation, and because there are now reasonably good prospects of maintaining at adequate strength the Army and Navy without resort to selective service, I believe we can liquidate the Selective Service System, except for its records. Since the act expires on March 31, 1947, we are faced with the immediate need of providing for the consolidation and preservation of records and providing for liquidation of the Selective Service System.

In order to provide for the orderly and expeditious liquidation of the Selective Service System, and to take care of storage and servicing of the records of the System, I recommend the establishment of an Office of Selective Service Records. It will be the duty of this office to begin immediately the liquidation of all local board offices, and to centralize at suitable locations in each State the valuable accumulation of records for safekeeping, in the event such records are needed in the future. It would not be the part of wisdom to destroy such records until their value has disappeared.

In the immediate future there are certain values to the veterans themselves and to the Nation in retaining and servicing the records apart from reasons of national security. During the last 6 months of 1946, the Selective Service System complied with more than 1,000,000 requests from State and Federal agencies for information about veterans. A large number of these requests were in the interest of veterans as individuals. It is desirable to continue to make use of the records in this manner, while at the same time assuring that the confidential nature of these records should not be violated.

I recommend, therefore, the enactment of a law providing for:

(1) The establishment of an Office of Selective Service Records which will (a) liquidate the Selective Service System, and (b) establish and maintain Federal record depots in the several States, the District of Columbia, and the Territories and possessions of the United States.

(2) Transfer to the Office of Selective Service Records all property, records, personnel, and unexpended balances of appropriations of the Selective Service System; and

(3) The continuance of the confidential nature of selective service records transferred to the Office of Selective Service Records with a provision for penalties for violations thereof.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 10, 1947.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

LILIENTHAL—COMMUNISM SMEAR TECHNIQUE AND BASIC TRUTHS ON ATOMIC ENERGY

Mr. HOLIFIELD. Mr. Speaker, I asked for this 30 minutes to present some remarks on the confirmation of Mr. Lilienthal, to comment on the misuse of the word "communism" as a smear technique, and to present certain basic truths on atomic energy. However, due to the lateness of the hour, I am going to ask to be allowed to extend my remarks at this point and to include at certain points in my address certain corollary information:

First: A list of witnesses testifying in confirmation of and in opposition to Mr. Lilienthal.

Second. An excerpt from Mr. Lilienthal's testimony; and

Third. Some basic facts on atomic energy as compiled by the National Committee on Atomic Energy.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the use of the two atomic bombs on August 6 and 9, 1945, over the two industrial cities of Japan, Hiroshima and Nagasaki, brought to the realization of the people of the world the fact that a new and terrible type of warfare was possible. A destructive element had been brought into play which was a thousandfold greater than any previous element used in warfare between nations. During the year which followed, thoughtful men became greatly concerned with the question of how this great force could be controlled. It was obvious that two phases of control would be necessary; first, control on the domestic plane in each nation; and second international control which to be effective, would, of necessity, require the cooperation and participation of every nation in the world which possessed industrial facilities and scientific knowledge. When the Seventy-ninth Congress convened on September 5, just 1 day after the formal surrender of the Japanese, a bill was presented in the House and in the Senate to establish methods of atomic control and procedure on the domestic level. This bill, H. R. 4566, commonly called the May-Johnson bill, was referred to the House Committee on Military Affairs, of which I was a member. Only perfunctory hearings were held, lasting a total of 3 or 4 days. With the exception of two scientists, Dr. Leo Szilard and Dr. Harold Anderson, both physicists who had important duties to perform in the development of the bomb, the balance of the witnesses were proponents of the bill. The bill was reported favorably out of committee despite the protests of the gentleman from Illinois, Congressman MELVIN PRICE, and myself. The gentleman from Illinois, Congressman PRICE, and I prepared the dissenting report which was filed against the bill. The May-Johnson bill languished in the Rules Committee until the following June 1946. At that time S. 1717 was passed. It set up a special committee for the proper consideration of this important subject. Extensive hearings were held extending over a period of 8 months. The most important

scientists, industrialists, educational and civic leaders in the United States were given ample opportunity to discuss all phases of the complicated legislation. As a result of this very proper handling of this important legislative matter, a bill was reported unanimously.

It is interesting to note that among the provisions which were not contained in the May-Johnson bill, but were included in S. 1717, were principles which Congressman PRICE and I had recommended in our dissenting report some 8 months previous. These principles were: First, the Commission should be composed of full time, well-paid members; second, the Administrator should be a civilian; and, third, the Government should be the exclusive producer and owner of plutonium and other fissionable materials. Senate bill 1717 was finally passed by both Houses and signed by the President and is now the law which establishes our policy in regard to domestic use of atomic energy. Pursuant to the conditions contained in this bill, the President appointed a five-man civilian Commission. These men are outstanding Americans. They have outstanding qualifications. I submit here a list of their names:

Summer T. Pike, businessman and broker, formerly of Stone and Webster in Boston and with Wall Street's Pomeroy & Co., having more lately served as Republican member of the Securities and Exchange Commission until he resigned a year ago.

William W. Waymack, editor of the Republican Des Moines Register and Tribune, and member of the board of directors of the Chicago Federal Reserve Bank.

Lewis L. Strauss, who rose to rear admiral in the Naval Reserve and who was a partner in Kuhn, Loeb & Co., bankers.

Robert F. Bacher, physicist, formerly head of Nuclear Research at Cornell University and one of the natural scientists who assembled the first atomic bomb, and David E. Lilienthal, former Administrative Director of TVA.

Mr. Lilienthal was appointed Chairman of the Atomic Energy Commission. The Commission was appointed on November 1, 1946. During the past 4 months, it has been busily engaged in acquainting itself with its duties and in formulating plans to comply with the legislation which Congress passed, Senate bill 1717.

It was assumed that the President's appointments would be approved without great delay in view of the fact that such outstanding personnel had been selected by the President and in view of the great urgency presented to the people of the United States by the discovery of atomic energy, and the necessity of further research and development of this great discovery. On June 1, the Army, which had been in charge of all atomic energy control, relinquished its jurisdiction of the great Manhattan project to this Commission. Since January 1, 1947, therefore, the Atomic Energy Commission, although not formally approved, has been in actual charge of this \$2,500,000,000 nationally owned project. They have had access to all the secret facilities and information regarding this project.

They have had the responsibility of management of this great project and of maintaining security of information regarding the atomic bomb. The delay in approval has been a serious detriment to the American people. It has been impossible for the Commission to proceed with long-range plans for development, for contracts, for research, for location of uranium deposits, and experiments in peacetime adaptation of atomic energy. An effort has been made on the part of the Commission to keep the machine running. This effort has been partially successful, but it has been far from achieving the results which would have been achieved had the Commission been established promptly by approval as required by law.

The chairman of the Joint Committee on Atomic Energy Legislation invited the House Members to attend the hearings in order that they might be acquainted with the testimony and the procedure adopted. At this point I want to pay a very sincere compliment to the chairman and the members of the committee. The hearings have been conducted with fairness and impartiality by the chairman. The chairman has exercised unusual patience in permitting one of his colleagues to participate at great length in the cross-examining of witnesses. The long-standing feud against the former Chairman of the TVA, Mr. Lilienthal, is too well known to the Members of Congress to be the occasion of elaboration. Suffice it to say that the cross-examination of Mr. Lilienthal has been lengthy and tiresome to many of the listeners. The witnesses called to testify in opposition to Mr. Lilienthal have been lacking in ability to impress the members of the committee, the press correspondents, and the general public. They have been, in most instances, mediocre and lacking in background of national importance. Their testimony has not been convincing. On the other hand, some of the most important industrialists, scientists, religious, and business leaders of the United States have appeared in favor of Mr. Lilienthal.

I submit here a list of witnesses testifying in support of Mr. Lilienthal's confirmation, and also witnesses testifying against his confirmation, which was printed in the March 3 issue of the Washington Post:

WITNESSES TESTIFYING IN SUPPORT OF CONFIRMATION

(In the order in which they appeared before the committee)

John M. Hancock, New York, N. Y. Partner, Lehman Bros.; director, various large corporations; associated with B. M. Baruch on atomic energy plans.

Bernard M. Baruch, New York, N. Y. Industrialist and financier; United States representative to United Nations on atomic energy control.

Dr. James Bryan Conant, Cambridge, Mass. President, Harvard University; special consultant on Manhattan District project.

Dr. Vannevar Bush, Washington, D. C. President, Carnegie Institute of Washington; director, Office of Scientific Research and Development; chairman, Joint Research and Development Board of the Army and Navy.

Congressman Joe Starnes, Guntersville, Ala. Former Member of Congress, Fifth Congressional District, Alabama; member through-

out its existence, Special House Committee on Un-American Activities.

Dr. Karl Taylor Compton, Cambridge, Mass. President, Massachusetts Institute of Technology; chairman, Joint Chiefs of Staff Evaluation Board, atomic bomb tests.

Henry H. Fowler, Washington, D. C. Practicing attorney, former attorney, TVA staff. Hon. Robert P. Patterson, Washington, D. C. Secretary of War.

Chester I. Barnard, Newark, N. J. President, New Jersey Bell Telephone Co.; member, State Department Board of Consultants on Atomic Energy.

Rev. Thomas E. O'Connell, Richmond, Va. Past president, Catholic Committee of the South.

Bishop E. H. Hughes, Chevy Chase, Md. Senior bishop, Methodist Church; formerly president, De Pauw University.

Harry A. Winne, Schenectady, N. Y. Vice president in charge of engineering policy, General Electric Co.; member, Board of Consultants, State Department Committee on Atomic Energy.

Charles A. Thomas, St. Louis, Mo. Vice president in charge of research and development, Monsanto Chemical Co.; member, State Department Board of Consultants on Atomic Energy.

Barrett C. Shelton, Decatur, Ala. Publisher, Decatur Daily News.

R. W. Bishop, Guntersville, Ala.

Louis A. Eckl, Florence, Ala. Editor, Florence (Ala.) Times and Tri-Cities Daily.

H. E. Monroe, Huntsville, Ala. President, Chamber of Commerce.

Thomas McCroskey, Knoxville, Tenn. Retired farmer.

Joseph H. Lane, Chattanooga, Tenn. President, Cavalier Corp.

Fred C. Schlemmer, Chattanooga, Tenn. Peerless Woolen Mills.

L. J. Wilhoit, Chattanooga, Tenn. Southern Dairies, Inc.

George H. Wright, Sweetwater, Tenn. Vice president, Tennessee Retail Hardware Dealers Association.

A. E. Walthall, Athens, Tenn. Athens Rolling Mill and Taylor Implement Manufacturing Co.

S. R. Finley, Chattanooga, Tenn. General superintendent, Electric Power Board of Chattanooga.

William L. Batt, Philadelphia, Pa. President, SKF Industries, former vice chairman, WPB.

WITNESSES TESTIFYING IN OPPOSITION TO CONFIRMATION

(In the order in which they appeared before the committee)

L. T. Bolt, Jr., Knoxville, Tenn. Practicing attorney, formerly attorney, TVA staff.

Jack Comer, Knoxville, Tenn. Practicing attorney, former TVA mimeograph operator.

Dr. Arthur E. Morgan, Yellow Springs, Ohio. Former chairman, TVA, retired.

Agnes Waters, Washington, D. C. Housewife.

James L. Smith, Knoxville, Tenn. Former chief, TVA Central Files Section.

Frank M. Farris, Nashville, Tenn. President, Third National Bank.

Mrs. Margaret Hopkins Worrell, Washington, D. C. Women's Patriotic Conference on National Defense.

Probably one of the most regrettable parts of the Atomic Energy Commission hearings has been the attempt to prove that Mr. Lilienthal is a Communist. The custom of smearing people of good character with charges of "communism," "Red fascism," and "radical," and the attempt to include within the opprobrium of these epithets, "progressive," "liberal," "New Dealer," is in my opinion, one of the most dangerous practices in contemporary American politics. It is a tactic

which was used in the 1946 campaign with some success by Republican candidates for national office. But temporary political success obtained by "red baiting" and "red smearing" people of progressive, social, economic, and political beliefs, with rabble-rousing epithets, will pale into insignificance alongside the danger to democracy inherent in these practices. "Red baiting" and "red smearing" charges against progressive-thinking people who believe in solving the social and economic problems of our democracy by constitutional means and by constitutional evolution, are dangerous. The reason they are dangerous is because they seek to discredit the proponents of progress by an epithet which prejudices the minds of unthinking or easily swayed persons. It seeks to accomplish an end by appealing to hysteria rather than by the exercise of reason and logic. This was the method used by Hitler to defeat his opposition during the days when the Nazi Party was rising to power in Germany. The people who opposed Hitler were labeled "Communist" regardless of whether the charge was true or not. By labeling his opponents with the group charge of "communism," he discredited and destroyed the democratic elements in the German Nation. His theory, as explained in *Mein Kampf*, was to tell a colossal lie and repeat it often enough until the people believed the lie to be the truth. This is the technique of Himmler and Goebbels. It is the propaganda base upon which nazism and fascism were built. It is a peculiarly dangerous type of character assassination, when used by a Member of the United States Congress under the conditions of immunity from libel which a Representative or a Senator possesses. The charge of "communism" when hurled from a congressional committee seat or a legislative rostrum, should be made only when actual proof of such affiliation is concurrently presented. The custom of some Members of the Congress in grouping sincere and honest people who differ with them in regard to the method of how to solve social and economic problems with Communists, is a dangerous procedure. Not only is it dangerous but it is a cowardly method of character assassination against which the private individual has little or no recourse. Such charges, once printed in the CONGRESSIONAL RECORD, even though unfounded and unproven, can be referred to, quoted, and reprinted for the remainder of the individual's life by his personal or political enemies.

The charges of communism against Mr. Lilienthal were unfounded and were not proven by the testimony presented to the Atomic Energy Committee. After days of harassment and persecution, which Mr. Lilienthal submitted to in a patient manner, he finally, after an unusually vicious attack upon his patriotism, burst forth with an impromptu, but most impressive, exposition of his belief in democracy and its meaning to him. Mr. Speaker, under unanimous consent, I include at this point a portion of Mr. Lilienthal's remarks on this subject. In my opinion, this credo of democracy which was voiced by Mr. Lilienthal is destined to go down in history as one of

the great patriotic expressions of our time. When questioned as to his political philosophy, Mr. Lillenthal said:

I will do my best to make it clear. My convictions are not so much concerned with what I am against as what I am for; and that excludes a lot of things automatically.

Traditionally, democracy has been an affirmative doctrine rather than merely a negative one.

I believe—and I conceive the Constitution of the United States to rest upon, as does religion—the fundamental proposition of the integrity of the individual; and that all Government and all private institutions must be designed to promote and protect and defend the integrity and the dignity of the individual; that that is the essential meaning of the Constitution and the Bill of Rights, as it is essentially the meaning of religion.

Any form of government, therefore, and any other institutions which make men means rather than ends, which exalt the state or any other institutions above the importance of men, which place arbitrary power over men as a fundamental tenet of government are contrary to that conception, and, therefore, I am deeply opposed to them.

The communistic philosophy as well as the communistic form of government fall within this category, for their fundamental tenet is quite to the contrary. The fundamental tenet of communism is that the state is an end in itself, and that therefore the powers which the state exercises over the individual are without any ethical standards to limit them.

That I deeply disbelieve.

It is very easy simply to say that one is not a Communist. And, of course, if my record requires me to state that very affirmatively, then it is a great disappointment to me.

It is very easy to talk about being against communism. It is equally important to believe those things which provide a satisfying and effective alternative. Democracy is that satisfying, affirmative alternative.

Its hope in the world is that it is an affirmative belief, rather than being simply a belief against something else and nothing more.

One of the tenets of democracy that grows out of this central core of a belief that the individual comes first, that all men are the children of God, and that their personalities are therefore sacred, carries with it a great belief in civil liberties and their protection, and a repugnance to anyone who would steal from a human being that which is most precious to him—his good name—either by imputing things to him by innuendo or by insinuation. And it is especially an unhappy circumstance that occasionally that is done in the name of democracy. This, I think, can tear our country apart and destroy it if we carry it further.

I deeply believe in the capacity of democracy to surmount any trials that may lie ahead, provided only that we practice it in our daily lives.

And among the things we must practice is that while we seek fervently to ferret out the subversive and antidemocratic forces in the country, we do not at the same time, by hysteria, by resort to innuendo, and smears, and other unfortunate tactics, besmirch the very cause that we believe in, and cause a separation among our people—cause one group and one individual to hate another, based on mere attacks, mere unsubstantiated attacks upon their loyalty.

I want also to add that part of my conviction is based on my training as an Anglo-American common-law lawyer. It is the very basis and the great heritage of the English people to this country, which we have maintained, that we insist on the strictest rules of credibility of witnesses and on the avoidance of hearsay, and that gossip shall be excluded, in the courts of justice. And that, too, is an essential of our democracy.

Whether by administrative agencies acting arbitrarily against business organizations, or whether by investigating activities of legislative branches, whenever these principles fail—these principles of the protection of an individual and his good name against besmirchment by gossip, hearsay, and the statements of witnesses who are not subject to cross-examination—then, too, we have failed in carrying forward our ideals in respect to democracy.

That I deeply believe.

The pin-drop silence which had obtained throughout Lillenthal's remarks lasted several moments more.

Then a quiet voice said, "That was the statement of a very real American."

The Atomic Energy Committee approved today, by a vote of 8 to 1, the appointment of Mr. Lillenthal and the other members of the Atomic Energy Commission. Senate bill 1717 provides that "members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate." That consent is now pending. It is sincerely hoped that such consent will not be further delayed and that the opposition to Mr. Lillenthal will withdraw so that our great atomic-energy project can function freely.

Mr. Speaker, under unanimous consent, I ask that at this time certain basic facts regarding atomic energy, as compiled by the National Committee on Atomic Energy, be included in my remarks:

ATOMIC ENERGY HAS OPENED A NEW ERA FOR MANKIND

The prehistoric man who first lit a fire opened a new era. But he never imagined a blast furnace.

When James Watt discovered the power of steam he started something which transformed the ways of men. But he never imagined the Queen Elizabeth.

Even wise old Benjamin Franklin, who experimented with electricity, had no idea this force would light cities and bring one voice to a million homes.

We likewise cannot imagine how atomic energy can change our ways and our world. What it may mean to you is sketched below.

New power, harnessed by man, means greater freedom. Your car brings you greater freedom. Splitting the atom gives us power so enormous it is hard to comprehend. For instance, the atomic energy in 1 pound of uranium is as great as the energy we obtain when we burn 1,300 tons of coal.

Such power can be used for either good or evil. It can either create or destroy.

The best minds agree that atomic warfare can destroy our kind of civilization. It might not destroy all civilization. As Dr. Einstein has suggested, enough intelligent people might be left to rebuild painfully and slowly. But, after such a catastrophe, it would not be the civilization we know now. And most of us would not live to see it.

One central fact about atomic energy is this: as soon as you start making it upon a significant scale you have the materials used for atomic bombs. As Mr. Baruch has pointed out, when you produce these materials you have gone 75 percent of the way to producing a bomb.

THE ATOMIC BOMB IS THE MOST DEVASTATING WEAPON EVER POSSESSED BY MAN

What happened at Hiroshima showed that one atomic bomb can kill 100,000 people. If a bomb were set off to inflict casualties instead of damage, its radiations could kill more than its blast. The more crowded the target area, the more would be killed. The United States delegation to the Atomic Energy Commission estimates the destruction

of the bomb as equal to that of 167 10-ton block busters. Its power is equal to 20,000 tons of TNT.

These figures mean that atomic bombs, despite their cost, are very cheap weapons in relation to the destruction they can do. As far as the vital heart of any city is concerned, one bomb can liquidate one city.

Future atomic bombs will become even more destructive as their efficiency is developed.

A few years from now it will be possible to send atomic bombs across oceans in rockets. Looking ahead, Dr. J. R. Oppenheimer has estimated that 40,000,000 Americans might be killed in one atomic attack.

THERE IS NO MILITARY DEFENSE AGAINST THE BOMB

Up to now, a means of defense has been created to meet every new offensive weapon. This has happened in the case of the rifle, the machine gun, the modern naval gun, the torpedo, the tank, and the bomber. But the defense was never complete. Each of these weapons killed many thousands in the war. Ask anyone who has been in an air raid.

Defensive measures finally stopped 90 percent of the V-1 flying bombs shot at London. But even then 10 percent got through. If they had carried atomic bombs, London would have disappeared. Even this very high degree of success in defense could not save a city from atomic destruction.

But the V-1's were unusually easy to stop. Defensive measures were not, on the average, nearly as successful against bombers. They had no success against the V-2 rocket.

They are not likely to be very successful against transoceanic rockets armed with atomic warheads. Like the V-2 these rockets might drop from the stratosphere at any place at any time at thousands of miles an hour. We cannot expect to perfect a defense which would stop even 90 percent. As the war showed again and again, actual experience with new weapons is required before effective defense measures can be improvised.

In this case the defense problem of stopping even one rocket appears exceedingly difficult, because the rocket would fall twice as fast as an antiaircraft shell goes up, and with only seconds or minutes warning of its approach. Defensive crews could not remain fully alerted year after year.

Defense would also be necessary against other forms of atomic attack, including sabotage. For example, atomic bombs could be brought into the country in small parts and secretly assembled in our cities. Or bombs could be secreted in merchant ships and blown up in our ports. It is hard to imagine a 100-percent defense against these methods of attack.

Foremost military authorities believe the principal military defenses against atomic attack would be (1) dispersion of our cities and industries and (2) all-out preparedness to counterattack. The cost of the first has been estimated at \$300,000,000,000. It would decrease the casualties and destruction from an attack. But it must be remembered that an enemy could, at a fraction of this cost, increase greatly the power of the attack.

The second would tend to make an enemy fear to attack us. It might force him to use many of his bombs against military installations. But it would not help the people in cities which were attacked.

THE UNITED STATES IS HIGHLY VULNERABLE TO ATOMIC WARFARE

Most Americans live in cities. One-third of our people live in 199 cities of over 50,000 population.

We have the largest industrial plant in the world, highly concentrated in one section of the country.

For these reasons, experts say, we are more vulnerable to atomic attack than any other major country except England. We are likely to remain highly vulnerable. Quite apart from the staggering costs and economic

losses involved, dispersing our cities and industries or moving our more vital industries underground would require many years and would have only limited value.

This vulnerability is increased by our institutions and our form of government. Due to our freedoms and our habit of freedom, effective protection against atomic sabotage would be particularly difficult. Our Constitution provides that Congress must declare war. Our traditions and ethical standards would go far to preclude delegating power to the President to launch an attack upon a probable enemy before he actually struck at us.

THERE IS NO SECRET—ONLY A TEMPORARY MONOPOLY

The talk about keeping the secret has been phony from the start. All nations have the knowledge of the basic scientific facts of atomic energy which we had in 1941.

They also know vitally important things that we did not know then—that atomic fission is possible; that plutonium can be produced from U238; and that U235 can be separated successfully by four different processes.

What the secret really comprises now is primarily the engineering know-how. Some of this comes from actually doing the job. The rest comes from the high technical standards of our industry. Many other countries are now able to learn what is left of the secret by doing the job themselves.

We still have a monopoly of actual atomic production and bomb manufacturing. But that monopoly can be only temporary.

OTHER COUNTRIES CAN PRODUCE ATOMIC BOMBS

The necessary raw material, uranium, is scattered widely over the world. If the demand is sufficient, rich deposits are not necessary. Thorium, which can be used with uranium, is even more widely distributed.

In terms of destruction atomic bombs are cheap weapons. Their manufacture, although highly technical, does not require a huge plant or outlay. Production of atomic materials need not cost other countries anything like the \$2,000,000,000 it cost us. Instead, they can concentrate on one process, for instance the plutonium process, which cost us only three hundred and fifty millions. We did that job regardless of cost under war conditions. They might do it much cheaper.

Authorities believe that any highly industrialized country, whether large or small, can make atomic bombs in a number of years if it is prepared to make the financial and economic effort. How long it would take would depend upon that effort plus industrial capacity and skills. Most estimates run between 3 and 10 years from last winter. It would be unwise to count on our present monopoly of atomic bombs lasting as much as 5 years from now.

Other nations may have bomb stock piles in perhaps 5 years. Actually the time involved might be less, only 4 or 3, if we fail to establish effective international control of atomic energy. Once stock piles of bombs had been started in other countries, they would grow steadily.

Such pyramiding stock piles of atomic bombs would breed the greatest fear mankind has ever known. This would be most extreme among the populations of cities, perhaps causing periodic panics. Every time international friction developed, the barometer of fear would rise.

One result would be large-scale movement out of cities. This would dislocate economic life and real-estate values. Indeed, such widespread fear might paralyze the normal workings of Government and undermine our democratic way of life. We all remember the restrictions imposed by Government controls during the war. Far more extensive Government controls would seem necessary in that kind of a peace.

Past experience shows that armament races lead toward war. An atomic armament race

plus such a spread of fear and mass hysteria would lead toward, and could set off, an atomic war.

WORLD CONTROL OF ATOMIC ENERGY CAN END THE MENACE OF ATOMIC WAR

Although there is no effective military defense against the atomic bomb now and there is none in sight, there can be another kind of defense. That is a political defense. It can be achieved by setting up world control of atomic energy.

If no nation has atomic weapons, surprise atomic attack will be impossible.

The fear and danger of atomic war would then be reduced to a minimum. For effective world control of atomic energy would minimize the possibility of atomic war. Atomic attack would then become possible only if the control system broke down, allowing some nation to make atomic weapons.

WORLD CONTROL IS PRACTICABLE

The Acheson-Lillenthal Report set forth six essentials which, if fulfilled, would make a world-control system work. They were, in summary:

1. The plan must reduce the control problem to manageable proportions.

2. It must provide clear and reliable danger signals of any violations which might lead toward atomic war.

3. It must provide security if it works, yet must leave any nation such as the United States relatively secure if it breaks down.

4. It must not be wholly negative and police-like, but must be constructive, promoting the beneficial uses of atomic energy.

5. It must provide for meeting new dangers if they arise.

6. It must involve international action, and minimize international rivalry, in atomic development.

THE UNITED NATIONS IS SEEKING WORLD CONTROL

The United Nations Atomic Energy Commission, comprising the 11 nations on the Security Council and Canada, is now trying to establish world control of atomic energy.

This Commission was set up by the United Nations General Assembly, following earlier agreements between the United States, Britain, Canada, and Russia that world control was necessary. It met on June 14, 1946. Upon its success depends the future of mankind.

At the first meeting the American representative, Mr. Bernard M. Baruch, submitted comprehensive proposals for world control. These were based upon the Acheson-Lillenthal Report.

The central feature of these proposals was the creation by treaty of an international Atomic Development Authority. To this body would be entrusted all phases of the development and use of atomic energy.

The Authority would have either managerial control or ownership of all atomic activities which are potentially dangerous to security. It would also have power to control, license, and inspect all other atomic activities.

At a stage to be determined in the atomic treaty, the United States would stop manufacturing atomic bombs and dispose of all its existing bombs. Our temporary monopoly of atomic energy would then be transformed into a permanent monopoly of the Authority.

On September 26 the scientific advisers of the Commission adopted unanimously a report on the scientific and technical aspects of the problem of control. It concluded that world control was technologically feasible. While it did not recommend any particular system of control, it underlined the complexity of control. To this extent, it gave support to the American plans.

The Commission made its first report to the Security Council on December 30, adopted by 10 votes with Russia and Poland abstaining. Completing the first phase of

the Commission's work, this report outlined its progress to date and submitted findings and recommendations.

The recommendations followed closely an American draft with some additions and changes. They included the following points:

There should be a strong and comprehensive international system of control and inspection set up by a treaty.

The treaty should establish an international Authority with power to carry out its duties and able to operate without any great power veto.

The Authority should be responsible for preventing the use of atomic energy for destructive purposes and for its control to the extent necessary to insure its use only for peaceful purposes.

It should have positive research and development responsibilities in order to remain in the forefront of atomic knowledge and should have power to make decisions governing national atomic energy agencies.

The treaty should also provide for free access for the Authority's representatives; for disposal of all existing stocks of bombs; and should prohibit manufacture, possession and use of atomic weapons.

There should be no legal right, by veto or otherwise, whereby a willful violator of the treaty would be protected from punishment.

The treaty should embrace the entire program of putting the international control system into effect, including a schedule of stages for transition to international control.

It must be remembered, however, that general acceptance of the basic principles of the atomic treaty will be only a first step in the creation of effective control.

ATOMIC ENERGY MUST BE MAN'S SERVANT, NOT HIS MASTER

Once atomic energy has been brought under effective world control, it will become a means of prosperity and progress instead of a source of fear. It will bring peoples together, instead of forcing them apart and underground.

Already we have a glimpse of how atomic energy can serve us, once we are free to use it.

Atomic power can open up rich regions of the earth which lack either coal or water-power. A few pounds of plutonium can be carried thousands of miles at negligible cost. For example, large areas in the interior of Brazil are rich in mineral resources but have no railroads. Plutonium could be transported to those regions by air.

Too much shielding is required to permit use of atomic power in automobiles. But it may be used to drive ships, or perhaps even giant rockets able to travel through space.

Atomic energy can improve health and prolong life. Already radio-active substances have been used to treat diseases. Large quantities will become available for health and research. Radioactive tracers can be followed inside the human body and bring us new knowledge of how it works.

Such tracers can also expand our knowledge of biology and industrial processes. They can mean to biology what the microscope has meant to science. We may even learn how plants obtain energy from sunlight, the basic process of life on our planet, and become able to employ this process mechanically.

Among other expected benefits of atomic energy are improvement and increase of many kinds of food, until a day arrives when no man need starve.

But many experts believe that the greatest boon of all will be the increase in knowledge through research. Scientific knowledge generates progress in all directions, leading to developments never imagined at first. Here is a new key to progress, comparable in significance to fire. It can open wide a door for the advancement of mankind.

We stand now at the threshold of a new world of tomorrow, a world of which this generation can see only the outlines.

Whether we shall have such a world depends upon what happens now, in the next 2 or 3 years. It depends upon whether or not we bring atomic energy under effective control.

EACH OF US HAS A PERSONAL STAKE IN WORLD CONTROL OF ATOMIC ENERGY

The success or failure of the effort to establish such control will affect decisively the life of every human being.

For instance, if you are a businessman, it will affect you vitally.

World control of atomic energy will open new fields for business. It will bring new confidence in the future. It will promote new industrial techniques and products and new technological progress, favorable, in greater or less degree, to every industry.

But if, instead, we have an atomic armaments race, fear of the future might paralyze business operations. Armament costs and Government restrictions would impose a crushing burden on private enterprise. Real-estate values and many other property values would fall, as thousands deserted cities in the hope of greater safety. You might even give up your business to look for some job in the country.

If you are a worker you will be equally affected.

World control of atomic energy can mean more jobs and rising standards of living. It can bring shorter hours and better conditions of labor.

But if we have an atomic armament race, more and more of the available jobs would be concerned with national defense, many of them on installations which would be first targets for atomic attacks. Others would require working underground. The hard-won rights of labor would be likely to suffer under the overpowering urge of our people for a maximum of protection at any cost.

Whatever your profession and wherever you live, the success or failure of the effort to achieve world control of atomic energy will shape your life. For all men it will decide whether or not they must live in fear, as their cavemen ancestors did 10,000 years ago. For hundreds of millions it will probably decide between annihilation or survival.

We cannot turn back the clock to the pre-atomic era. Only one thing could end the Atomic Age now that it has begun. That is an obliteration of world civilization so extensive that men could no longer split the atom.

The principal nations of mankind are faced with a choice between progress and destruction. The time is now.

YOU CAN DO YOUR PART

If you understand the facts about the atomic problem yourself, you can help your friends to understand them. Whenever the subject comes up in conversation, you can spread accurate information.

If you are a member of an organization, club, church, school, labor union, or office staff, you can promote discussion and study of the atomic problem. Study groups, discussion groups or meetings with speakers, slides or films can disseminate knowledge of the atomic facts. By getting together, organizations can put on more effective programs.

If you know the facts, you can also help to check the spread of inaccurate statements. You can write a letter to the editor of a newspaper, or call a radio station when inaccuracies occur, and you can challenge errors in discussion.

Since our country is a democracy, sound action by Congress must rest upon informed public opinion. Our Government will have to act upon many crucial issues in the atomic field, including any treaty establishing world control. If you know the facts, you can do

your part to ensure that our Government acts wisely.

THE SCHOOL-LUNCH PROGRAM

Mr. PACE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Speaker, I hope the President will promptly submit to the Congress, and that the Committee on Appropriations will immediately approve, a request for funds to carry on the school-lunch program for the remainder of the fiscal year. I am advised that \$10,000,000 will be adequate and that early action by the President and the Congress is required in order to avoid the closing down of this program in at least 16 States.

I can understand the hesitation on the part of the President to request and by the Appropriations Committee to approve deficiency appropriations, but I believe the situation justifies and demands such action in this instance. At the time the regular appropriation of \$75,000,000 was made last June it was thought by all of us that such sum would be ample to support the program until July 1 of this year. Our calculations were based upon the amount of participation in the program at that time. But there was a 12-percent increase in the number of schools and children qualifying for the program, and this has brought about the same percent in the shortage of funds.

I shall not attempt here to enumerate the many advantages of the school-lunch program or the great benefits the children of the Nation derive from the program. These are demonstrated by the expansion and growing popularity of the program. But I do remind the Members that we decided to place the program on a permanent basis at the last session of the Congress because we had become convinced that it had proven to be a valuable contribution in building sound bodies and minds for our children and offered a sound outlet for surplus agricultural commodities when these surpluses begin to appear in the future.

It was my privilege to aid in the drafting of the legislation at the last session to put this program on a permanent basis. This was handled by the Committee on Agriculture, of which I am a member. I later served on the conference committee of the House and Senate, and our final recommendation is now Public Law 396, Seventy-ninth Congress, second session, entitled "An act to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs."

I call your special attention to the word "expansion" as clearly indicating that the Congress expected the program to expand and intended that more schools and more children should qualify under the program. Such natural and anticipated expansion has brought about the present shortage of funds and justifies the President and the Congress in making additional funds available immediately.

I should also like to call your attention to the formal declaration of the policy of the Congress with respect to this program. It is section 2 of the act, as follows:

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants in aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school-lunch programs.

Then section 3 authorizes the appropriation of such funds "as may be necessary" to carry out the provisions of the act. The appropriation of an additional \$10,000,000 at this time is most necessary to carry on the program until June 30, and, of course, the regular appropriation of an adequate sum to continue the program during the next fiscal year beginning July 1 is of equal importance and necessity.

As an indication of the deep interest of the people of my own State in this program, I call your attention to the following resolution unanimously adopted February 26 by the Georgia State Senate:

Senate Resolution 24

Whereas in initiating, supporting, and maintaining the national school-lunch program, the Government of the United States has rendered invaluable aid to the cause of public education, from which the common-school system of Georgia has enjoyed its full participation since this wise legislation was originally fostered and the benefits thereof first became available to the pupils in our public schools; and

Whereas it is essential to the realization of Georgia's ambitious plans for the full development of its educational program and the adequate instruction of the children of our State that these Federal grants which were so auspiciously launched and so successfully maintained during recent years, whereby nourishing food at lunch time may be available to the growing generation of America's future citizens, shall continue without interruption; and

Whereas in the movement for retrenchment in national expenditures now so widely advocated, there is grave danger that this essential service shall be placed in jeopardy or sacrificed to the serious detriment of our educational interests: Therefore be it

Resolved by the Senate of the State of Georgia (the house of representatives concurring). That we hereby memorialize and urgently bespeak the favorable consideration of the Congress of the United States of suitable appropriations that will insure the continuance and maintenance of the national school-lunch program upon substantially the same basis which has heretofore represented such an important contribution to the institution of public education as it has come to be recognized among the paramount obligations assumed by the Public Treasury; be it further

Resolved, That copies hereof be transmitted at once to the Members of Georgia's delegation in the Senate and House of Representatives of the Congress of the United States.

Read and unanimously adopted February 26, 1947.

WM. T. DEAN,
President pro tempore and
Presiding Officer.
Mrs. HENRY W. NEVIN,
Secretary of the Senate.

And in the same connection I read you an article appearing in a recent issue of the Dawson News, published in my old home town and edited by Hon. Carl Rountree, one of the outstanding newspapermen of my State:

SCHOOL-LUNCH PROGRAM IS ENDANGERED AS CONGRESS CONSIDERS ECONOMY MOVES

Federal aid for Georgia's school-lunch program is in danger of being scuttled by what is termed an economy move in Congress. This kind of economy will affect 274,387 who are now receiving lunches in 1,437 schools. If Federal aid is cut off April 1 most schools will find it extremely difficult, if not impossible, to continue operating this program that has meant so much to boys and girls all over the State.

A bill has been introduced calling for additional funds to carry out provisions of the National School Lunch Act for 1947. The bill has been referred to the Committee on Education and Labor and supporters of school lunches hope to get it passed. But some Members of Congress are unsympathetic toward the program and indicate they do not want Federal aid continued after its expiration date April 1. Federal money for equipment is not affected, however.

For the fiscal year 1946-47 Georgia was allotted \$1,855,159.95 for the program and a supplement of \$290,360.01 was approved, making a total Federal allocation of \$2,145,519.96. The Federal Government supplies 43 percent of the total cost of operating the State-wide program. The other 57 percent comes from lunch money collected from the children by the schools.

School lunches have been a great factor in improving the health of Georgia school children. Education officials say that students repeating grades have been greatly reduced and they think the right kind of diet for growing youngsters has much to do with this condition. At present there is at least one school lunchroom in every county in the State.

Dr. M. D. Collins, State superintendent of schools, says he is optimistic that the necessary Federal money will be provided because almost every State is similarly affected. He has written Georgia's Senators and Congressmen urging them to support legislation for continuing the Federal grants.

What will happen if the Federal money is cut off? Miss Eleanor Pryor, State director of the lunchroom program, says some schools might be able to continue serving lunches by increasing the price paid by the child for his meal. However, approximately 12 percent of the lunches served are free because children are not able to purchase them. There is also the possibility that local clubs and civic organizations might come to the rescue of some schools.

But the fact remains that most schools would be seriously handicapped and the program that has become so popular would suffer a definite recession.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a newspaper article and a resolution by the State senate.

THE SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LARCADE, for 1 week, on account of official business.

ENROLLED BILL SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found

truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1030. An act to continue in effect certain war excise tax rates, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on Enrolled Bills, reported that that committee did on March 7, 1947, present to the President, for his approval, bills of the House of the following titles:

H. R. 1040. An act to authorize the payment of \$425.88 by the United States to the Government of Switzerland;

H. R. 1778. An act to amend the Federal Firearms Act; and

H. R. 2045. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of streptomycin, or any derivative thereof, and for other purposes.

ADJOURNMENT

Mr. CANFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 11, 1947, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

The Subcommittee on Public Buildings and Grounds of the Committee on Public Works will meet at 10 a. m., Tuesday, March 11, 1947, to hold hearings on H. R. 668, to authorize the transfer without charge to the States, and political subdivisions thereof, of any interest of the United States in public works acquired under the act of October 14, 1940, as amended.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 o'clock a. m., Tuesday, March 11, 1947.

Business to be considered: Executive session. Conference with officials of the Federal Security Agency, with respect to Public Health Service and Food and Drug Administration, pursuant to the Legislative Reorganization Act of 1946.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 2 o'clock p. m., Wednesday, March 12, 1947.

Business to be considered: Executive session. Conference with officials of the Interior Department, with respect to petroleum conservation, pipe lines, and oil compacts, pursuant to the Legislative Reorganization Act of 1946.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 o'clock a. m., Wednesday, March 12, 1947.

Business to be considered: Executive session. Conference with officials of the Securities and Exchange Commission pursuant to the Legislative Reorganization Act of 1946.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Subcommittee meeting 10 a. m., Wednesday, March 12, 1947, 213 House

Office Building, to consider H. R. 1636, pertaining to rural carriers' leave.

COMMITTEE ON FOREIGN AFFAIRS

An executive meeting of the Committee on Foreign Affairs will be held in the Foreign Affairs Committee room, gallery floor, the Capitol, on Thursday, March 13, 1947, at 10:30 a. m., on House Joint Resolution 134, providing for relief assistance to countries devastated by war.

COMMITTEE ON THE JUDICIARY

On Friday, March 14, 1947, at 10 a. m., Subcommittee No. 4 of the Committee on the Judiciary will begin hearings on the following measures, with respect to war and emergency powers:

H. R. 1983, to amend the Second War Powers Act, 1942, as amended.

House Concurrent Resolution 5, to declare the date of termination of the wars in which the United States has been engaged since December 7, 1941.

House Concurrent Resolution 9, to declare December 7, 1946, as the date of the cessation of hostilities in, and as the date of the termination of, the present war.

House Concurrent Resolution 25, to declare the date of termination of the wars in which the United States has been engaged since December 7, 1941.

House Joint Resolution 56, to terminate the emergency war powers of the President.

House Joint Resolution 128, to declare July 4, 1947, as the date of the cessation of hostilities in the present war.

House Concurrent Resolution 21, providing that various titles of the Second War Powers Act of 1942 shall remain in force until the day following the adoption of this resolution.

The hearings will be conducted in the Judiciary Committee room, 346 House Office Building.

There will be a hearing before Subcommittee No. 3 of the Committee on the Judiciary on Monday, March 17, 1947, on the following bills:

H. R. 1468: To provide for the review of certain orders of the Interstate Commerce Commission and the United States Maritime Commission and giving the United States courts of appeals jurisdiction on review to enjoin, set aside, or suspend such orders.

H. R. 1470: To provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended.

The hearing will begin at 10:30 a. m., and will be held in room 346, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 o'clock a. m., Tuesday and Wednesday, March 18 and 19, 1947.

Business to be considered: Public hearings on H. R. 2185, H. R. 2235; and H. R. 2292, a bill to amend the Natural Gas Act approved June 21, 1938, as amended.

COMMITTEE HEARING POSTPONED
COMMITTEE ON INTERSTATE AND FOREIGN
COMMERCE

Mr. CHARLES A. WOLVERTON, chairman of the House Interstate and Foreign Commerce Committee, today stated that in order to accommodate the witnesses who wish to appear in connection with H. R. 2185, introduced by Representative RIZLEY; H. R. 2235, introduced by Representative CARSON; and H. R. 2292, introduced by Representative DAVIS of Tennessee, proposing to amend the Natural Gas Act, it has been found necessary to tentatively postpone to April 14 the hearings which were set to begin March 18 and 19.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

434. A letter from the Acting Chairman, Federal Trade Commission, transmitting a special report entitled "The Present Trend of Corporate Mergers and Acquisitions"; to the Committee on the Judiciary.

435. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to provide for the orderly transaction of the public business in the event of the death, resignation, or separation from office of regional disbursing officers of the Treasury Department; to the Committee on Expenditures in the Executive Departments.

436. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend the District of Columbia Traffic Act, 1925, approved March 3, 1925, as amended, to provide for tests of blood, urine, and breath of persons arrested in the District of Columbia for certain offenses; to the Committee on the District of Columbia.

437. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the crediting of moneys received from the disposition of serviceable Army Air Forces supplies, materials, and equipment, other than surplus property, to the applicable current Army Air Forces appropriation; to the Committee on Armed Services.

438. A letter from the Attorney General, transmitting a draft of a proposed bill to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes; to the Committee on the Judiciary.

439. A letter from the Postmaster General, transmitting a draft of a proposed bill for the relief of James H. Underwood, former postmaster at Guam, Guam; to the Committee on the Judiciary.

440. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill to fix the fees payable to the Patent Office and to amend section 4934 of the Revised Statutes, and for other purposes; to the Committee on the Judiciary.

441. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of G. F. Allen, former Chief Disbursing Officer, Treasury Department, and for other purposes; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC
BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANFIELD: Committee on Appropriations. H. R. 2436. A bill making Treasury

and Post Office appropriations for 1948; without amendment (Rept. No. 103). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. House Resolution 59. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 58; without amendment (Rept. No. 105). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 126. Resolution to provide funds for the Committee on Education and Labor; without amendment (Rept. No. 106). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 129. Resolution to authorize payment of \$2,706.07 to settle debt of the select committee investigating the national defense program in its relation to small business in the United States; without amendment (Rept. No. 107). Referred to the House Calendar.

Mr. KNUTSON: Committee on Ways and Means. H. R. 2404. A bill to suspend certain import taxes on copper; without amendment (Rept. No. 108). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDERSON of California: Committee on Armed Services. H. R. 1366. A bill to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes; with amendment (Rept. No. 109). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 236. A bill to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals; without amendment (Rept. No. 110). Referred to the House Calendar.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2032. A bill to preserve the continuity of residence in the United States for naturalization purposes in the cases of alien residents who departed for service in Allied armed forces during the Second World War; with amendments (Rept. No. 111). Referred to the House Calendar.

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 2413. A bill to amend the Federal Reserve Act, and for other purposes; without amendment (Rept. No. 116). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE
BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 422. A bill for the relief of Francesco and Natalia Picchi; with amendment (Rept. No. 112). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 555. A bill for the relief of Edna Rita Saffron Fidone; without amendment (Rept. No. 113). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 621. A bill for the relief of Vera Frances Elicker; with amendment (Rept. No. 114). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1004. A bill amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas"; without amendment (Rept. No. 115). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD:

H. R. 2436. A bill making Treasury and Post Office appropriations for 1948; to the Committee on Appropriations.

By Mr. BARRETT:

H. R. 2437. A bill to transfer the Conservation Branch of the United States Geological Survey of the Department of the Interior to Casper, Wyo.; to the Committee on Public Lands.

H. R. 2438. A bill to repeal section 2 of the act entitled "An act for the preservation of American antiquities," approved June 8, 1906; to the Committee on Public Lands.

H. R. 2439. A bill granting the consent of Congress to the States of Utah and Wyoming to negotiate and enter into a compact for the division of the waters of the Henrys Fork River and its tributaries; to the Committee on Public Lands.

By Mr. BOGGS of Louisiana:

H. R. 2440. A bill to extend the reclamation laws to the State of Louisiana; to the Committee on Public Lands.

H. R. 2441. A bill to amend the Mustering-Out Payment Act of 1944 to provide mustering-out payments for certain members of the armed forces discharged to accept employment and to extend the time for filing applications for the benefits of such act; to the Committee on Armed Services.

By Mr. BROOKS:

H. R. 2442. A bill to amend the Armed Forces Leave Act of 1946 to permit settlement and compensation for terminal leave under such act to be made in cash, to provide that bonds issued under such act shall be redeemable at any time, and for other purposes; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H. R. 2443. A bill to cancel regulation W and to prevent regulation of consumer credit by the Federal Government; to the Committee on Banking and Currency.

By Mr. GOSSETT:

H. R. 2444. A bill to amend the Nationality Act of 1940 so as to require an applicant for naturalization to agree to bear arms if necessary in support and defense of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HEDRICK:

H. R. 2445. A bill to provide for recognition of the State of West Virginia as a community-property State for Federal income-tax purposes; to the Committee on Ways and Means.

By Mr. JAVITS:

H. R. 2446. A bill to permit certain displaced persons under 14 years of age or orphaned as a result of World War II to enter the United States as nonquota immigrants; to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 2447. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. LYNCH:

H. R. 2448. A bill to establish and provide for a system of old-age and survivors' insurance for employees of religious, charitable, educational, and certain other organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. PETERSON:

H. R. 2449. A bill to provide for the establishment of the Russell, Majors, Waddell National Monument; to the Committee on Public Lands.

By Mr. PHILBIN (by request):

H. R. 2450. A bill to encourage expansion of business by allowing a deduction, for income-tax purposes, of certain capital expenditures; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 2451. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. RIVERS:

H. R. 2452. A bill to provide additional inducements to citizens of the United States to make the United States naval service a career, and for other purposes; to the Committee on Armed Services.

By Mr. ROBERTSON:

H. R. 2453. A bill to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite; for the development of new uses and markets; for improvement of health and safety in mining; and for a comprehensive study of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace; to the Committee on Public Lands.

By Mr. ROGERS of Florida:

H. R. 2454. A bill to exempt homesteads from execution or other process of the Federal courts and from distraint and sale for the nonpayment of Federal taxes, and for other purposes; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 2455. A bill to establish within the Department of the Interior a National Minerals Resource Division, and for other purposes; to the Committee on Public Lands.

By Mr. SIKES:

H. R. 2456. A bill for the appropriation of funds for the improvement of St. Josephs Bay and Harbor, Fla.; to the Committee on Appropriations.

H. R. 2457. A bill for the appropriation of funds for the improvement of St. Andrews Bay, Fla.; to the Committee on Appropriations.

H. R. 2458. A bill for the appropriation of funds for the improvement of Pensacola Bay, Fla.; to the Committee on Appropriations.

H. R. 2459. A bill for the appropriation of funds for the improvement of the Apalachicola, Chattahoochee, and Flint Rivers, Ga., Fla., and Ala.; to the Committee on Appropriations.

H. R. 2460. A bill for the appropriation of funds for the improvement of St. Marks River, Fla.; to the Committee on Appropriations.

By Mr. SNYDER:

H. R. 2461. A bill to provide for recognition of the State of West Virginia as a community-property State for Federal income-tax purposes; to the Committee on Ways and Means.

By Mr. STEVENSON:

H. R. 2462. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. VAN ZANDT:

H. R. 2463. A bill to amend section 210 (c) of title 11 of the Social Security Act, as amended, so as to extend the time for making application for old-age and survivors insurance benefits payable to survivors of certain veterans; to the Committee on Ways and Means.

By Mr. WEICHEL:

H. R. 2464. A bill to raise the limit on individual postal savings accounts to \$5,000; to the Committee on Post Office and Civil Service.

By Mr. JENKINS of Ohio:

H. R. 2465. A bill to provide for the demonstration of public-library service in areas without such service or with inadequate

library facilities; to the Committee on Education and Labor.

By Mr. SASSCER:

H. R. 2466. A bill to provide funds for engineering, planning, and dredging of a channel to Mill Creek, Md.; to the Committee on Appropriations.

H. R. 2467. A bill to provide funds for engineering, planning, and dredging of a channel to Island Creek, St. Georges Island, Md.; to the Committee on Appropriations.

By Mr. WILSON of Texas:

H. R. 2468. A bill to facilitate the current payment of the individual income tax by members of certain partnerships; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H. R. 2469. A bill to amend the act approved August 7, 1946, authorizing relief from the terms of certain war contracts to furnish the Government with work, supplies, or services; to the Committee on the Judiciary.

By Mr. BEALL:

H. R. 2470. A bill to authorize the establishment of a band in the Metropolitan Police force; to the Committee on the District of Columbia.

H. R. 2471. A bill to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force; to the Committee on the District of Columbia.

By Mr. BURKE:

H. R. 2472. A bill to provide expert assistance and to cooperate with Federal, State, and other suitable agencies in promoting the conservation of wildlife by promoting sound land-use practices, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H. R. 2473. A bill to authorize the transfer without charge to the States and their political subdivisions of all interest of the United States in educational and recreational facilities acquired under the act of October 14, 1940, as amended; to the Committee on Banking and Currency.

By Mr. McMILLAN of South Carolina:

H. R. 2474. A bill relating to certain unperformed contracts under the Federal rural electrification program; to the Committee on Agriculture.

By Mr. ROBERTSON:

H. R. 2475. A bill to amend the Clayton Act by adding a proviso to section 2 (c) of said act (U. S. C., title 15, sec. 13 (c)); to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 2476. A bill to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 2477. A bill to extend the statute of limitations with respect to suits by certain immigrant inspectors and employees for extra pay for Sunday and holiday services; to the Committee on the Judiciary.

By Mr. FORAND:

H. J. Res. 147. Joint resolution to provide for the preservation of the frigate *Constellation*; to the Committee on Armed Services.

By Mr. KLEIN:

H. J. Res. 148. Joint resolution proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older; to the Committee on the Judiciary.

By Mr. HOFFMAN:

H. Res. 135. Resolution providing for the expenses of conducting the studies and investigations authorized by House Resolution 118; to the Committee on House Administration.

By Mrs. ROGERS of Massachusetts:

H. Res. 136. Resolution providing expenses for conducting the study and inspection authorized by House Resolution 120 of the Eightieth Congress; to the Committee on House Administration.

By Mr. POULSON:

H. Res. 137. Resolution relating to the preparation for the immediate negotiation of a peace treaty with Japan; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to grant immediate statehood to Hawaii; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States in opposition to the policy of the Secretary of the Department of the Interior, J. A. Krug, as announced on February 2, 1947, accompanying his first annual report, of keeping all federally owned mineral lands in permanent Federal ownership, permitting development only under leasing laws, and that the present mining laws which permit the patenting of mineral lands should be repealed; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to amend the Social Security Act in certain particulars; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to enact legislation relating to employers' sinking funds and reserves and taxability thereof; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to strengthen present sanitary requirements governing the importation of livestock from the Republic of Mexico; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States in opposition to the policy of the State Department to reduce tariffs on mineral products under the Trade Agreement Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States urging enactment of the Alaska statehood bill, H. R. 206; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States with regard to obtaining a congressional appropriation enabling the construction of a combined courthouse, jail, and general Federal building at Valdez, Alaska, capable of housing the offices and records of all Federal agencies located there; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to remove all controls upon the production and sale of sugar; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States relating to Federal contribution for old-age assistance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 2478. A bill for the relief of Mrs. Mildred H. Gibbons, Chief Clerk, Hugo, Okla., Farm Security Administration, Department of Agriculture; to the Committee on the Judiciary.

By Mr. COMBS:

H. R. 2479. A bill for the relief of Hardy H. Bryant; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 2480. A bill for the relief of Ulma B. Riggs; to the Committee on the Judiciary.

By Mr. GRANGER:

H. R. 2481. A bill for the relief of Rokutchi Tahara; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 2482. A bill for the relief of John Ritter Dunham; to the Committee on the Judiciary.

By Mr. MATHEWS:

H. R. 2483. A bill for the relief of Emma Armstrong for loss sustained in post-office burglary; to the Committee on the Judiciary.

By Mr. MURRAY of Wisconsin:

H. R. 2484. A bill to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934-35, and for other purposes; to the Committee on Public Lands.

By Mr. O'KONSKI:

H. R. 2485. A bill for the relief of Pawel Prokopeni; to the Committee on the Judiciary.

H. R. 2486. A bill for the relief of Zdzislaw Moskala; to the Committee on the Judiciary.

H. R. 2487. A bill for the relief of Stanislaw H. Mayak; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 2488. A bill for the relief of Polivio S. Aresta; to the Committee on the Judiciary.

By Mr. RIVERS:

H. R. 2489. A bill for the relief of James W. Adkins and Mary Clark Adkins; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H. R. 2490. A bill for the relief of J. V. Crain; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

171. By Mr. FORAND: Resolution of the General Assembly of the State of Rhode Island and Providence Plantations, requesting the Senators and Representatives from Rhode Island in the Congress of the United States to use their good offices to secure prompt passage of the George bill, so-called, or a similar measure, to restore to the veterans of World War II the benefit rights to which they are justly entitled; to the Committee on Veterans' Affairs.

172. Also, resolution of the General Assembly of the State of Rhode Island and Providence Plantations, memorializing the Senators and Representatives from Rhode Island in the Congress of the United States with relation to the establishment of a national cemetery in the State of Rhode Island and Providence Plantations; to the Committee on Armed Services.

173. By Mrs. SMITH of Maine: Resolution of Winslow Grange, No. 320, Winslow, Maine, favoring an allocation of sugar for home canning in 1947 to the end that home canning will not be unduly curtailed; to the Committee on Agriculture.

174. By Mr. THOMASON: Petition of Reserve officers, members of Odessa (Tex.) Chapter, ROA, urging passage of legislation providing for plan of universal military training whereby each young man of this country shall have 4 months of basic training, and for other purposes; to the Committee on Armed Services.

175. Also, petition of Reserve officers, of Odessa, Tex., urging legislation providing amendment to law for uniform allowance for newly commissioned officers, for equalization of military leave for civil-service employees, and for other purposes; to the Committee on Armed Services.

176. Also, petition of Reserve officers, of Odessa, Tex., urging legislation providing inactive-duty pay for Reserve officers of the armed forces, disability retirement pay for Reserve and other civilian component personnel ordered to active duty for periods of less than 30 days, and for other purposes; to the Committee on Armed Services.

177. Also, petition of Reserve officers, of Odessa, Tex., urging legislation providing for a single Department of the Armed Forces; to the Committee on Armed Services.

178. By the SPEAKER: Petition of Legislative Committee on Educational Survey, Baton Rouge, La., petitioning consideration of their resolution with reference to endorsement of the bill S. 472; to the Committee on Education and Labor.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 11, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Father of all mercies, whose spirit mingles with ours as sunshine with the air, we wait at the altar of supplication, deeply conscious that we are the children of time and sense. In the shadow of Thy wings, love and truth go before Thy face. We rejoice that Thou art our help and strength, and pray Thee to make us restless and weary of the things we see, striving for that which transcends human attainment.

As we meditate on the world's desperate condition, attend unto our spirits, O Lord, lest our thralldom be tragically complete. O clarify our vision, gird us for labor, and grant that in all honor we may measure up to the demands of an expectant public. Forbid that we should lose their respect by vacillation or by compromising our traditions. Hear our humble prayer, O Lord, for Thy name's sake, and grant us Thy peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include a newspaper article and an editorial.

Mr. KILBURN asked and was given permission to extend his remarks in the

RECORD and include a resolution on the St. Lawrence seaway.

STRIKES AND VIOLENCE

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Speaker, during the past 5 weeks the Committee on Education and Labor has been holding hearings in an effort to find as adequate a solution as possible to labor unrest. We have heard unbelievable testimony concerning violence in the conduct of strikes throughout the Nation. Workers have been beaten up, their families and homes molested, in practically every large city in the Nation. It is the same pattern, whether in Detroit, Chicago, or New York. In Pittsburgh we heard evidence that explosive bombs have been hurled at business establishments and fires started. Witnesses from Philadelphia came before the committee and testified that they were afraid of their lives because they testified before the Committee on Labor. This situation is not confined to large cities. As an example, and there are many similar cases, there is the case of violence involved at the Norman Dairies in New Canaan, Conn., a community of 6,500 population. The drivers of two trucks owned by this small dairy were beaten up and left unconscious by the roadside. One of them, incidentally, was a returned veteran of the Navy Air Corps. These victims had the courage to swear out warrants against their assailants, and, although that was 14 months ago, the case still has to come to trial.

Only last Saturday a representative of the AFL carpenters' union who is involved in the 2-year-old jurisdictional strike in the movie industry in Hollywood testified that he felt his life was in danger from the very moment he left our committee room.

About 2 weeks ago, George P. McNear, Jr., appeared before our committee to testify relative to the strike on the Toledo, Peoria & Western Railroad. After he testified, he indicated to me personally that he felt he might be threatened and that attempts might be made to intimidate him. Later, representatives of the unions involved in that strike also testified before this committee.

They charged Mr. McNear, among other things, with lack of any knowledge of railroading and, at least by intimation and inference, impugned his patriotism. To these charges Mr. McNear did not see fit to reply.

He could have stated that he learned railroading under Mr. Loree, famed American railroader. He could have stated that he worked on track gangs on the New York Central in 1916 and early 1917 in order to fit himself for an important post in organizing French railroads in World War I.

And as to his patriotism, he could have told the story of his only son in World War II. That son, in the Navy, wrote to